

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

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

Planet Fitness, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

7997

(Primary Standard Industrial
Classification Code Number)

38-3942097

(I.R.S. Employer Identification Number)

**26 Fox Run Road
Newington, NH 03801
(603) 750-0001**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Chris Rondeau
Chief Executive Officer
Planet Fitness, Inc.
26 Fox Run Road
Newington, NH 03801
(603) 750-0001**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

**David A. Fine
Ropes & Gray LLP
Prudential Tower
800 Boylston Street
Boston, MA 02199
(617) 951-7000**

**Dorvin Lively
Chief Financial Officer
Planet Fitness, Inc.
26 Fox Run Road
Newington, NH 03801
(603) 750-0001**

**D. Rhett Brandon
John C. Ericson
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
(212) 455-2000**

Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement is declared effective.

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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Smaller reporting company ☐

(Do not check if a
smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price(1)(2)	Amount of registration fee
Class A Common Stock, \$0.0001 par value	\$100,000,000	\$11,620.00

- (1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of the Securities Act of 1933, amended.
- (2) Includes shares that may be sold upon exercise of the underwriters' option to purchase additional shares. See "Underwriting."

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 Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Preliminary prospectus
shares



Class A common stock
\$ **per share**

We are an “emerging growth company” as that term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

	Per share	Total
Initial public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds to us before expenses ⁽¹⁾	\$	\$
Proceeds to selling stockholders before expenses ⁽¹⁾	\$	\$

The underwriters expect to deliver the shares of Class A common stock to investors on or about 2015.

J.P. Morgan **BofA Merrill Lynch** **Jefferies** **Credit Suisse**
Guggenheim Securities Baird William Blair Piper Jaffray Cowen and Company
Prospectus dated , 2015



WE'RE NOT A GYM. WE'RE PLANET FITNESS.

Friendly staff, brand name equipment, and a comfortable atmosphere, all for just \$10 a month. Those are just a few of the things that make us, well, us. And with more than seven million members, we're one of the fastest growing health club franchises in the U.S.



Table of Contents



Fontana, California







Table of contents

	Page
<u>Prospectus summary</u>	1
<u>Risk factors</u>	19
<u>Cautionary note regarding forward-looking statements</u>	46
<u>The recapitalization transactions</u>	47
<u>Use of proceeds</u>	52
<u>Dividend policy</u>	53
<u>Capitalization</u>	54
<u>Dilution</u>	55
<u>Unaudited pro forma consolidated financial information</u>	57
<u>Selected consolidated financial and other data</u>	68
<u>Management's discussion and analysis of financial condition and results of operations</u>	72
<u>Letter from Chief Executive Officer Chris Rondeau</u>	104
<u>Business</u>	105
<u>Management</u>	124
<u>Executive compensation</u>	131
<u>Certain relationships and related party transactions</u>	142
<u>Principal and selling stockholders</u>	149
<u>Description of certain indebtedness</u>	153
<u>Description of capital stock</u>	156
<u>Shares eligible for future sale</u>	160
<u>Material U.S. federal income tax considerations for Non-U.S. Holders</u>	163
<u>Underwriting</u>	168
<u>Legal matters</u>	176
<u>Experts</u>	176
<u>Where you can find more information</u>	176
<u>Index to consolidated financial statements</u>	F-1

We are responsible for the information contained in this prospectus and in any free writing prospectus we prepare or authorize. Neither we nor the selling stockholders nor the underwriters have authorized anyone to provide you with different information, and neither we nor the selling stockholders nor the underwriters take responsibility for any other information others may give you. Neither we nor the selling stockholders nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than its date.

Industry and market data

This prospectus includes market data with respect to the health club industry. Although we are responsible for all of the disclosure contained in this prospectus, in some cases we rely on and refer to market data and certain industry forecasts that were obtained from third-party surveys, market research, consultant surveys, publicly available information and industry publications and surveys, including the International Health, Racquet & Sportsclub Association, which we believe to be reliable. In some cases, the information has been developed by us for purposes of this offering based on our existing data and is believed by us to have been prepared in a reasonable manner. Other industry and market data included in this prospectus are from internal analyses based upon data available from known sources or other proprietary research and analysis. We believe this data to be accurate as of the date of this prospectus. However, this information may prove to be inaccurate because it cannot always be verified with complete certainty due to the limitations 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 market and other similar industry data included in this prospectus, and estimates and beliefs based on that data, may not be reliable.

Trademarks, trade names and service marks

We own or have rights to trademarks, trade names and service marks that we use in connection with the operation of our business, including “Planet Fitness,” “Judgement Free Zone,” “We’re Not a Gym. We’re Planet Fitness.,” “PE@PF,” “No Lunks,” “PF Black Card,” “No Gymtimidation,” “You Belong” and various other marks. Solely for convenience, the trademarks, trade names and service marks referred to in this prospectus are listed without the ®, SM and TM symbols, but we will assert our rights to our trademarks, trade names and service marks to the fullest extent under applicable law.

Prospectus summary

This summary highlights information contained in other parts of this prospectus. Because it is only a summary, it does not contain all of the information that you should consider before investing in shares of our Class A common stock, and it is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this prospectus. You should read the entire prospectus carefully, especially “Risk factors” and our financial statements and the related notes, before deciding to purchase shares of our Class A common stock. Unless the context requires otherwise, references in this prospectus to the “Company,” “we,” “us” and “our” refer to Pla-Fit Holdings, LLC and its consolidated subsidiaries prior to the recapitalization transactions described in this prospectus and to Planet Fitness, Inc. and its consolidated subsidiaries following the recapitalization transactions.

Our Company

Fitness for everyone

We are one of the largest and fastest-growing franchisors and operators of fitness centers in the United States by number of members and locations, with a highly recognized national brand. Our mission is to enhance people’s lives by providing a high-quality fitness experience in a welcoming, non-intimidating environment, which we call the Judgement Free Zone, where anyone – and we mean anyone – can feel they belong. Our bright, clean locations (which we refer to as stores) are typically 20,000 square feet, with a large selection of high-quality, purple and yellow Planet Fitness-branded cardio, circuit- and weight-training equipment and friendly staff trainers who offer unlimited free fitness instruction to all our members in small groups through our PE@PF program. We offer this differentiated fitness experience at only \$10 per month for our standard membership. This exceptional value proposition is designed to appeal to a broad population, including occasional gym users and the approximately 80% of the U.S. and Canadian populations over age 14 who are not gym members, particularly those who find the traditional fitness club setting intimidating and expensive. We and our franchisees fiercely protect Planet Fitness’ community atmosphere – a place where you do not need to be fit before joining and where progress toward achieving your fitness goals (big or small) is supported and applauded by our staff and fellow members.

Our judgement-free approach to fitness and exceptional value proposition have enabled us to grow our revenues to \$279.8 million in 2014 and to become an industry leader with \$1.2 billion in system-wide sales during 2014 (which we define as monthly dues and annual fees billed by us and our franchisees), and more than 7.1 million members and 976 stores in 47 states, Puerto Rico and Canada as of March 31, 2015. System-wide sales for 2014 include \$1.1 billion attributable to franchisee-owned stores, from which we generate royalty revenue, and \$82.0 million attributable to our corporate-owned stores. Of our 976 stores, 919 are franchised and 57 are corporate-owned. Our stores are successful in a wide range of geographies and demographics. According to internal and third-party analysis, we believe we have the opportunity to more than quadruple our store count to over 4,000 stores in the United States alone. Under signed area development agreements (“ADAs”) as of March 31, 2015, our franchisees have committed to open more than 1,000 additional stores.

In 2014, our corporate-owned stores had segment EBITDA margin of 37.3% and had average unit volumes (“AUVs”) of approximately \$1.6 million with four-wall EBITDA margins (an assessment of store-level profitability which includes local and national advertising expense) of approximately 41%, or approximately 36% after applying the 5% royalty rate under our current franchise agreement. Based on a survey of franchisees, we believe that our franchise stores achieve four-wall EBITDA margins in line with these corporate-owned store EBITDA margins. Our strong member value proposition has also driven growth throughout a variety of economic cycles and conditions. For a reconciliation of segment EBITDA margin to four-wall EBITDA margin for

Table of Contents

corporate-owned stores, see “—Management’s discussion and analysis of results of operations and financial condition—Non-GAAP measures.”

Our significant growth is reflected in:

- 918 stores as of December 31, 2014, compared to 389 as of December 31, 2010, reflecting a compound annual growth rate (“CAGR”) of 23.9%;
- 6.1 million members as of December 31, 2014, compared to 2.3 million as of December 31, 2010, reflecting a CAGR of 27.6%;
- 2014 system-wide sales of \$1.2 billion, reflecting a CAGR of 30.1%, or increase of \$774.3 million, since 2010;
- 2014 total revenue of \$279.8 million, reflecting a CAGR of 32.0%, or increase of \$187.5 million, since 2010, of which 3.6% is attributable to revenues from corporate-owned stores acquired from or sold to franchisees since 2010;
- 33 consecutive quarters of system-wide same store sales growth (which we define as year-over-year growth solely of monthly dues from stores that have been open and for which membership dues have been billed for longer than 12 months);
- 2014 Adjusted EBITDA of \$100.6 million, reflecting a CAGR of 45.3%, or increase of \$78.0 million, since 2010; and
- 2014 net income of \$37.3 million, reflecting a CAGR of 22.6%, or increase of \$20.8 million, since 2010. Our historical results benefit from insignificant income taxes due to our status as a pass-through entity for U.S. federal income tax purposes, and we anticipate future results will not be consistent as our income will be subject to U.S. federal and state taxes.

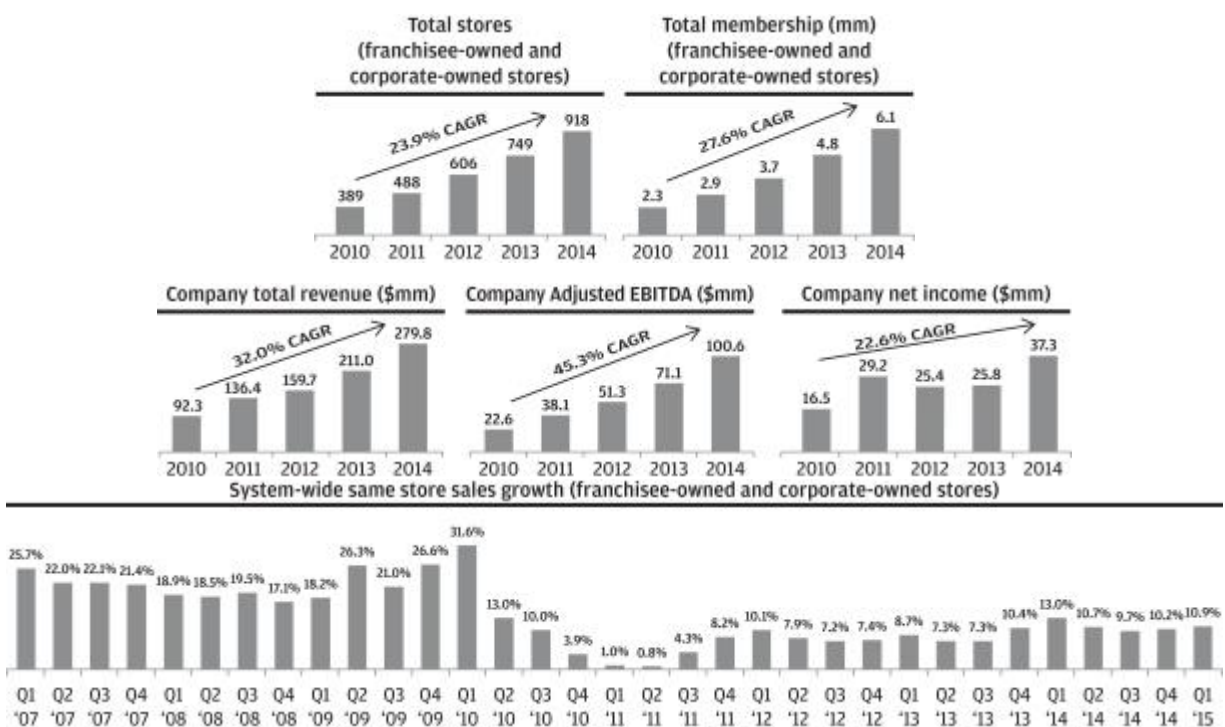


Table of Contents

For a discussion of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, see “Selected consolidated financial and other data.” For a discussion of same store sales, see “Management’s discussion and analysis of financial condition and results of operations—How we assess the performance of our business.”

We’re not a gym. We’re Planet Fitness.

We believe our approach to fitness is revolutionizing the industry by bringing fitness to a large, previously underserved segment of the population. Our differentiated member experience is driven by three key elements:

- **Judgement Free Zone :** We believe every member should feel accepted and respected when they walk into a Planet Fitness. Our stores provide a Judgement Free Zone where members of all fitness levels can enjoy a non-intimidating environment. Our “come as you are” approach has fostered a strong sense of community among our members, allowing them not only to feel comfortable as they work toward their fitness goals but also to encourage others to do the same. The removal of heavy free weights reinforces our Judgement Free Zone by discouraging what we call “Lunkhead” behavior, such as dropping weights and grunting, that can be intimidating to new and occasional gym users. In addition, to help maintain our welcoming, judgement-free environment, each store has a purple and yellow branded “Lunk” alarm on the wall that staff occasionally rings as a light-hearted reminder of our policies.
- **Distinct store experience:** Our bright, clean, large-format stores offer our members a selection of high-quality, purple and yellow Planet Fitness-branded cardio, circuit- and weight-training equipment that is commonly used by first-time and occasional gym users. Because our stores are typically 20,000 square feet and we do not offer non-essential amenities such as group exercise classes, pools, day care centers and juice bars, we have more space for the equipment our members do use, and we have not needed to impose time limits on our cardio machines.
- **Exceptional value for members:** Both our standard and PF Black Card memberships are priced significantly below the industry average of \$46 per month and still provide our members with a high-quality fitness experience. For only \$10 per month, our standard membership includes unlimited access to one Planet Fitness location and unlimited free fitness instruction to all members in small groups through our PE@PF program. For \$19.99 per month, our PF Black Card members have access to all of our stores system-wide and can bring a guest on each visit, which provides an additional opportunity to attract new members. Our PF Black Card members also have access to exclusive areas in our stores that provide amenities such as water massage beds, massage chairs, tanning equipment and more.

Our differentiated approach to fitness has allowed us to create an attractive franchise model that is both profitable and scalable. We recognize that our success depends on a shared passion with our franchisees for providing a distinctive store experience based on a judgement-free environment and an exceptional value for our members. We enhance the attractiveness of our streamlined, easy-to-operate franchise model by providing franchisees with extensive operational support relating to site selection and development, marketing and training. We also take a highly collaborative, teamwork approach to our relationship with franchisees, as captured by our motto “One Team, One Planet. ” The strength of our brand and the attractiveness of our franchise model are evidenced by the fact that 87% of our new stores in 2014 were opened by our existing franchisee base and 22 new franchisee groups opened their first store in 2014.

Our competitive strengths

We attribute our success to the following strengths:

- **Market leader with differentiated member experience, nationally recognized brand and scale advantage.** We believe we are the largest operator of fitness centers in the United States by number of members, with more than 7.1 million members as of March 31, 2015. Our franchisee-owned and corporate-owned stores generated \$1.2 billion in system-wide sales during 2014. Through our differentiated member experience, nationally recognized brand and scale advantage, we will continue to deliver a compelling value proposition to our members and our franchisees and, we believe, grow our store and total membership base.
 - *Differentiated member experience.* We seek to provide our members with a high-quality fitness experience in a non-intimidating, judgement-free environment at an exceptional value. We have a dedicated Brand Excellence team that seeks to ensure that all our franchise stores uphold our brand standards and deliver a consistent Planet Fitness member experience in every store.
 - *Nationally recognized brand.* We have developed a highly relatable and recognized brand that emphasizes our focus on providing our members with a judgement-free environment. We do so through fun and memorable marketing campaigns and in-store signage that often poke fun at “Lunk” behavior. As a result, we have among the highest aided and unaided brand awareness scores in the U.S. fitness industry, according to a third-party consumer study that we commissioned in the fall of 2014. Our brand strength also helps our franchisees attract members, with new stores in 2014 signing up an average of approximately 1,300 members even before opening their doors.
 - *Scale advantage.* Our scale provides several competitive advantages, including enhanced purchasing power with our fitness equipment and other suppliers and the ability to attract high-quality franchisee partners. In addition, we estimate that our large national advertising fund, funded by franchisees and us, together with our requirement that franchisees generally spend 5 to 7% of their monthly membership dues on local advertising, have enabled us and our franchisees to spend over \$150 million since 2011 on marketing to drive consumer brand awareness.
- **Exceptional value proposition that appeals to a broad member demographic .** We offer a high-quality and consistent fitness experience throughout our entire store base at low monthly membership dues. Combined with our non-intimidating and welcoming environment, we are able to attract a broad member demographic based on age, household income, gender and ethnicity. Our member base is over 50% female and our members come from both high- and low-income households. Our broad appeal and ability to attract occasional and first-time gym users enable us to continue to target a large segment of the population in a variety of markets and geographies across the United States and Canada.
- **Strong store-level economics .** Our store model is designed to generate attractive four-wall EBITDA margins, strong free cash flow and high returns on invested capital for both our corporate-owned and franchise stores. Average four-wall EBITDA margins for our corporate-owned stores have increased significantly since 2010, driven by higher average members per store as well as a higher percentage of PF Black Card members, which leverage our relatively fixed costs. In 2014, our corporate-owned stores had segment EBITDA margin of 37.3% and had AUVs of approximately \$1.6 million with four-wall EBITDA margins of approximately 41%, or approximately 36% after applying the 5% royalty rate under our current franchise agreement. Based on a survey of franchisees, we believe that our franchise stores achieve four-wall EBITDA margins in line with these corporate-owned store EBITDA margins. We believe that our strong store-level economics are important to our ability to attract and retain successful franchisees and grow our store base.

Table of Contents

- **Highly attractive franchise system built for growth.** Our easy-to-operate model, strong store-level economics and brand strength have enabled us to attract a team of professional, successful franchisees from a variety of industries. We believe that our franchise model enables us to scale more rapidly than a company-owned model. Our streamlined model features relatively fixed labor costs, minimal inventory, automatic billing and limited cash transactions. Our franchisees enjoy recurring monthly member dues, regardless of member use, weather or other factors. Based on survey data and management estimates, we believe our franchisees can earn, in their second year of operations, on average, a cash-on-cash return on initial investment greater than 25% after royalties and advertising, which is in line with our corporate-owned stores. The attractiveness of our franchise model is further evidenced by the fact that our franchisees re-invest their capital with us, with 87% of our new stores in 2014 opened by our existing franchisee base. We have received numerous accolades, including #4 among Franchise Times' "Smartest Growing Brands" for 2015 and #3 among Forbes Magazine's "America's Best Franchises" in 2014 (in which we also received an "A" rating for franchisee support). We view our franchisees as strategic partners in expanding the Planet Fitness store base and brand.
- **Predictable and recurring revenue streams with high cash flow conversion .** Our business model provides us with predictable and recurring revenue streams. In 2014, approximately 80% of our franchise revenues and over 90% of our corporate-owned store revenues consisted of recurring revenue streams, which include royalties, vendor commissions, monthly dues and annual fees. In addition, our franchisees are obligated to purchase fitness equipment from us for their new stores and to replace this equipment every four to seven years. As a result, these "equip" and "re-equip" requirements create a predictable and growing revenue stream as our franchisees open new stores under their ADAs. By re-investing in stores, we and our franchisees maintain and enhance our member experience. Our predictable and recurring revenue streams, combined with our attractive margins and minimal capital requirements, result in high cash flow conversion and increased capacity to invest in future growth initiatives.
- **Proven, experienced management team driving a strong culture .** Our strategic vision and unique culture have been developed and fostered by our senior management team under the stewardship of Chief Executive Officer Chris Rondeau. Mr. Rondeau has been with Planet Fitness for over 20 years and helped develop the Planet Fitness business model and brand elements that give us our distinct personality and spirited culture. Dorvin Lively, our Chief Financial Officer, brings valuable expertise from his 30 years of corporate finance experience with companies such as RadioShack and Ace Hardware, and from the initial public offering of Maidenform. We have assembled a management team that shares our passion for "fitness for everyone" and has extensive experience across a broad range of disciplines, including retail, franchising, finance, consumer marketing, brand development and information technology. We believe our senior management team is a key driver of our success and has positioned us well to execute our long-term growth strategy.

Our growth strategies

We believe there are significant opportunities to grow our brand awareness, increase our revenues and profitability and deliver shareholder value by executing on the following strategies:

- **Continue to grow our store base across a broad range of markets.** We have more than tripled our store count over the last five years, expanding from 302 stores as of December 31, 2009 to 918 stores as of December 31, 2014. As of March 31, 2015, our franchisees have signed ADAs to open more than 1,000 additional stores over the next seven years, including approximately 500 over the next three years. Because our stores are successful across a wide range of geographies and demographics with varying population densities, we believe that our high level of brand awareness and low per capita penetration outside of our original Northeast market create a significant opportunity to open new Planet Fitness stores across the

Table of Contents

United States and Canada. Based on our internal and third-party analysis, we believe we have the potential to more than quadruple our store base to over 4,000 stores in the United States alone.

- **Drive revenue growth and system-wide same store sales.** Because we provide a high-quality, affordable, non-intimidating fitness experience that is designed for first-time and occasional gym users, we have achieved positive system-wide same store sales growth in each of the past 33 quarters. We expect to continue to grow system-wide same store sales primarily by:
 - *Attracting new members to existing Planet Fitness stores.* As the U.S. and Canadian populations continue to focus on health and wellness, we believe we are well-positioned to capture a disproportionate share of the population given our appeal to first-time and occasional gym users. In addition, because our stores offer a large, focused selection of equipment geared toward first-time and occasional gym users, we are able to service higher member volumes without sacrificing the member experience. We also have continued to evolve our offerings to appeal to our target member base, such as the introduction of 12-minute abdominal circuits and 30-minute express workout areas.
 - *Increasing mix of PF Black Card memberships by enhancing value and member experience.* We expect to drive sales by converting our existing members with standard membership dues at \$10 per month to our premium PF Black Card membership with dues at \$19.99 per month as well as attracting new members to join at the PF Black Card level. We encourage this upgrade by continuing to enhance the value of our PF Black Card benefits through additional in-store amenities and affinity partnerships with national retail brands for discounts and promotions. Since 2010, our PF Black Card members as a percentage of total membership has increased from 38% in 2010 to 55% in 2014, and our average monthly dues per member have increased from \$14.22 to \$15.45 over the same period.

We may also explore other future revenue opportunities, such as optimizing member pricing and fees, offering new merchandise and services inside and outside our stores, and securing affinity and other corporate partnerships.

- **Increase brand awareness to drive growth.** We plan to continue to increase our strong national brand awareness by leveraging significant marketing expenditures by our franchisees and us, which we believe will result in increasing membership in new and existing stores and continue to attract high-quality franchisee partners. Under our current franchise agreement, franchisees are required to contribute 2% of their monthly membership dues to our National Advertising Fund ("NAF"), from which we spent over \$21 million in 2014 alone to support our national marketing campaigns, our social media platforms and the development of local advertising materials. Under our current franchise agreement, franchisees are also required to spend 7% of their monthly membership dues on local advertising. We expect both our NAF and local advertising spending to grow as our membership grows.
- **Continue to expand royalties from increases in average royalty rate and new franchisees.** While our current franchise agreement stipulates monthly royalty rates of 5% of monthly dues and annual fees, only 30% of our stores are paying royalties at the current franchise agreement rate, primarily due to lower rates in historical agreements. As new franchisees enter our system and, generally, as current franchisees open new stores or renew their existing franchise agreements at the current royalty rate, our average system-wide royalty rate will increase. In 2014, our average monthly royalty rate was 2.95% compared to 1.39% in 2010. In addition to rising average royalty rates, total royalty revenue will continue to grow as we expand our franchise store base and increase franchise same store sales.

Table of Contents

- **Grow sales from fitness equipment and related services.** Our franchisees are contractually obligated to purchase fitness equipment from us and, due to our scale and negotiating power, we believe we offer competitive pricing for high-quality, purple and yellow Planet Fitness-branded fitness equipment. We expect our equipment sales to grow as our franchisees open new stores. Additionally, franchisees are required to replace their existing equipment with new equipment every four to seven years. As the number of franchise stores continues to increase and existing franchise stores continue to mature, we anticipate incremental growth in revenue related to the sale of equipment. In addition, we believe that regularly refreshing equipment helps our franchise stores maintain a consistent, high-quality fitness experience and drives new member growth.

Summary risk factors

An investment in our Class A common stock involves a high degree of risk. Any of the factors set forth under “Risk factors” may limit our ability to successfully execute our business strategy. You should carefully consider all of the information set forth in this prospectus, and, in particular, you should evaluate the specific factors set forth under “Risk factors” in deciding whether to invest in our Class A common stock. Among these important risks are the following:

- our dependence on the operational and financial results of, and our relationships with, our franchisees and the success of their new and existing stores;
- risks relating to damage to our brand and reputation;
- our ability to successfully implement our growth strategy;
- technical, operational and regulatory risks related to our third-party providers’ systems and our own information systems;
- our and our franchisees’ ability to attract and retain members;
- the high level of competition in the health club industry generally;
- our reliance on a limited number of vendors, suppliers and other third-party service providers; and
- the substantial indebtedness of our subsidiary, Planet Fitness Holdings, LLC, which totaled \$506.4 million as of March 31, 2015, including capital leases.

Implications of being an emerging growth company

As a company with less than \$1.0 billion in revenues during our most recently completed fiscal year, we qualify as an “emerging growth company” as defined in Section 2(a) of the Securities Act of 1933, as amended (the “Securities Act”), as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies that are not emerging growth companies. These provisions include:

- reduced disclosure about our executive compensation arrangements;
- no non-binding shareholder advisory votes on executive compensation or golden parachute arrangements; and
- exemption from the auditor attestation requirement of our internal control over financial reporting.

Table of Contents

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than \$1.0 billion in annual revenues as of the end of our fiscal year, we have more than \$700.0 million in market value of our stock held by non-affiliates as of the end of our second fiscal quarter or we issue more than \$1.0 billion of non-convertible debt over a three-year period. We may choose to take advantage of some or all of these reduced disclosure obligations.

The JOBS Act permits an emerging growth company such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We are choosing to “opt out” of this provision and, as a result, we will comply with new or revised accounting standards as required for public companies that are not emerging growth companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

Our structure

Our business is conducted through Pla-Fit Holdings, LLC and its subsidiaries. In connection with the recapitalization transactions described under the heading “The recapitalization transactions” elsewhere in this prospectus, Planet Fitness, Inc. will become the sole managing member of Pla-Fit Holdings, LLC. Our existing equity owners consist of holders of interests in Pla-Fit Holdings, LLC, which we refer to as the “Continuing LLC Owners,” and holders of interests in a predecessor entity to Planet Fitness, Inc., which we refer to as the “Direct TSG Investors.”

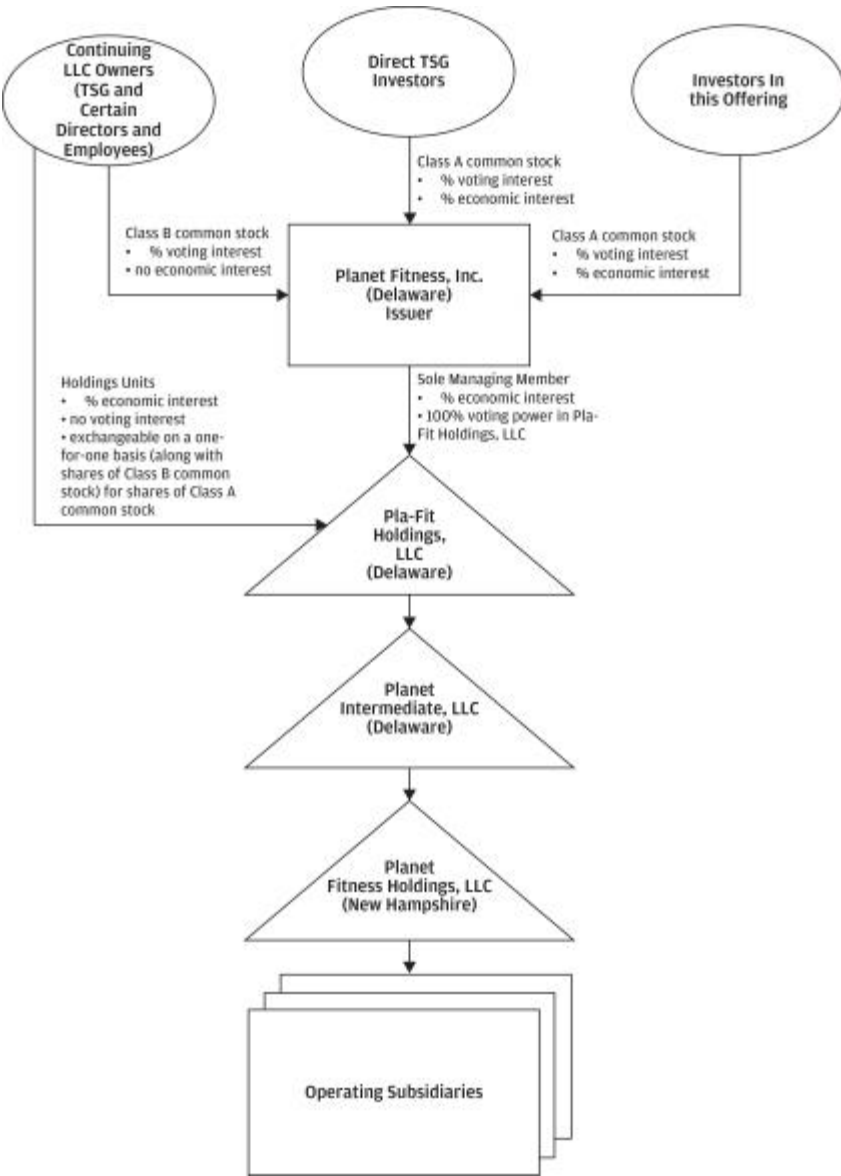
In connection with the recapitalization transactions, the interests held by the Direct TSG Investors in Planet Fitness, Inc. will be converted into shares of our Class A common stock. In addition, the limited liability company agreement of Pla-Fit Holdings, LLC will be amended and restated to, among other things, modify its capital structure to create a single new class of units, which we refer to as “Holdings Units,” held by the Continuing LLC Owners and Planet Fitness, Inc. Planet Fitness, Inc. will then issue to the Continuing LLC Owners one share of our Class B common stock for each Holdings Unit that they hold. The shares of Class B common stock have no rights to dividends or distributions, whether in cash or stock, but entitle the holder to one vote per share on matters presented to stockholders of Planet Fitness, Inc. See “Description of capital stock.” Our Continuing LLC Owners consist of investment funds affiliated with TSG Consumer Partners, LLC, which we refer to, together with its affiliates, as “TSG” or our “Sponsor,” and certain employees and directors. The Direct TSG Investors consist of investment funds affiliated with TSG.

We and the Continuing LLC Owners will also enter into an exchange agreement under which they will have the right, from time to time and subject to the terms of the exchange agreement, to exchange their Holdings Units, together with the corresponding shares of Class B common stock, for shares of our Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends, reclassifications and other similar transactions.

Immediately following this offering, after giving effect to the recapitalization transactions, Planet Fitness, Inc. will be a holding company, and its sole material asset will be an equity interest, indirectly held through its wholly owned subsidiaries, in Pla-Fit Holdings, LLC. As the sole managing member of Pla-Fit Holdings, LLC, Planet Fitness, Inc. will operate and control all of the business and affairs of Pla-Fit Holdings, LLC and, through Pla-Fit Holdings, LLC and its subsidiaries, conduct our business. Accordingly, although we will have a minority economic interest in Pla-Fit Holdings, LLC, we will have the sole voting interest in, and control the management of, Pla-Fit Holdings, LLC. As a result, Planet Fitness, Inc. will consolidate Pla-Fit Holdings, LLC in its consolidated financial statements and will report a noncontrolling interest related to the Holdings Units held by the Continuing LLC Owners in our consolidated financial statements.

Table of Contents

The diagram below depicts our organizational structure immediately following this offering, after giving effect to the recapitalization transactions, assuming no exercise by the underwriters of their option to purchase additional shares of Class A common stock.



See "The recapitalization transactions" elsewhere in this prospectus for a description of our structure and the recapitalization transactions.

Our sponsor

TSG Consumer Partners is a leading private equity firm focused exclusively on the branded consumer sector. TSG manages \$2.7 billion of institutional equity capital and has invested in over 70 consumer brands since its founding in 1987. TSG utilizes its extensive industry expertise across verticals, such as food, beverage, beauty, apparel, accessories, restaurants, retail and franchisors, and works closely with its partner companies to implement fundamental improvements in sales, marketing, operations and financial controls.

Following the completion of this offering, investment funds affiliated with TSG will own approximately % of our Class A common stock, or % if the underwriters exercise in full their option to purchase additional shares of our Class A common stock, and % of our outstanding Class B common stock, or % if the underwriters exercise in full their option to purchase additional shares of our Class A common stock, which, combined with their holdings of our Class A common stock, aggregates to % of our voting power, or % of our voting power if the underwriters exercise in full their option to purchase additional shares of our Class A common stock, and % of the outstanding Holdings Units, or % of the outstanding Holdings Units if the underwriters exercise in full their option to purchase additional shares of our Class A common stock. As a result, we expect to be a “controlled company” within the meaning of the corporate governance standards of the New York Stock Exchange (the “NYSE”) and TSG will continue to have significant influence over us and decisions made by stockholders and may have interests that differ from yours. See “Risk factors—Risks related to our Class A common stock and this offering—TSG will continue to have significant influence over us after this offering, including control over decisions that require the approval of stockholders, which could limit your ability to influence the outcome of matters submitted to stockholders for a vote.”

In connection with this offering, we intend to enter into a stockholders agreement with investment funds affiliated with TSG. Pursuant to the stockholders agreement, we will be required to take all necessary action to cause the board of directors and its committees to include individuals designated by TSG and to include such individuals in the slate of nominees recommended by the board of directors for election by our stockholders. These nomination rights are described in this prospectus in the sections titled “Management—Board composition and director independence” and “Management—Board committees.” In addition, our certificate of incorporation provides that we renounce any interest or expectancy in the business opportunities of TSG and of its officers, directors, agents, stockholders, members, partners, affiliates and subsidiaries, and each such party will have no obligation to offer us those opportunities unless presented to one of our directors or officers in his or her capacity as a director or officer. Our TSG-affiliated directors have fiduciary duties to us and, in addition, have duties to TSG. As a result, these directors may face real or apparent conflicts of interest with respect to matters affecting both us and TSG, whose interests may be adverse to ours in some circumstances.

Corporate information

Planet Fitness, Inc. was incorporated in Delaware in March 2015. Our principal executive offices are located at 26 Fox Run Road, Newington, New Hampshire 03801, and our telephone number is (603) 750-0001. Our Internet website is www.planetfitness.com. The information on, or that can be accessed through, this website and the other Internet websites that we present in this prospectus is not part of this prospectus, and you should not rely on any such information in making the decision whether to purchase shares of our Class A common stock.

The offering

Issuer in this offering	Planet Fitness, Inc.
Class A common stock offered by us	shares
Class A common stock offered by the selling stockholders	shares
Underwriters' option to purchase additional shares of Class A common stock from us	shares
Class A common stock to be outstanding after this offering	shares (or shares if the underwriters exercise in full their option to purchase additional shares of Class A common stock)
Class B common stock to be outstanding after this offering	shares (or shares if the underwriters exercise in full their option to purchase additional shares of Class A common stock), all of which will be owned by the Continuing LLC Owners.
Voting rights	Holders of our Class A common stock and Class B common stock will vote together as a single class on all matters presented to stockholders for their vote or approval, except as otherwise required by law or as otherwise provided by our certificate of incorporation. Each share of Class A common stock and Class B common stock will entitle its holder to one vote per share on all such matters. See "Description of capital stock."
Ratio of shares of Class A common stock to Holdings Units	Our certificate of incorporation and the amended and restated limited liability company agreement of Pla-Fit Holdings, LLC (the "New LLC Agreement") will require that (i) we at all times maintain a ratio of one Holdings Unit owned by us for each share of Class A common stock issued by us (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities), and (ii) Pla-Fit Holdings, LLC at all times maintain (x) a one-to-one ratio between the number of shares of Class A common stock issued by us and the number of Holdings Units owned by us and (y) a one-to-one ratio between the number of shares of Class B common stock owned by the Continuing LLC Owners and the number of Holdings Units owned by the Continuing LLC Owners. This construct is intended to result in the Continuing LLC Owners having a voting interest in Planet Fitness, Inc. that is identical to the Continuing LLC Owners' percentage economic interest in Pla-Fit Holdings, LLC. The Continuing LLC Owners will own all of our outstanding Class B common stock.

Table of Contents

Use of proceeds

We estimate that the net proceeds to us from this offering will be approximately \$ million, or approximately \$ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock, at an assumed initial public offering price of \$ per share, the midpoint of the price range set forth on the cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses.

We intend to use the net proceeds of this offering to purchase, through wholly owned subsidiaries, issued and outstanding Holdings Units from certain Continuing LLC Owners consisting of investment funds affiliated with TSG (or Holdings Units if the underwriters exercise in full their option to purchase additional shares of Class A common stock), at a purchase price per unit equal to the initial public offering price per share of Class A common stock, less underwriting discounts and commissions. Pla-Fit Holdings, LLC will not receive any proceeds that we use to purchase Holdings Units from Continuing LLC Owners, and we will not receive any of the proceeds from the sale of shares of our Class A common stock by the selling stockholders. Pla-Fit Holdings, LLC will bear or reimburse Planet Fitness, Inc. and the selling stockholders for all of the expenses of this offering. See "Use of proceeds."

Exchange and redemption rights of holders of Holdings Units

The Continuing LLC Owners, from time to time following the offering, may require us to exchange all or a portion of their Holdings Units for newly issued shares of our Class A common stock on a one-for-one basis or, at our discretion, cash. Shares of our Class B common stock will be cancelled on a one-for-one basis if we, at the election of a Continuing LLC Owner, redeem or exchange Holdings Units of such Continuing LLC Owner pursuant to the terms of the exchange agreement. The decision whether to tender Holdings Units to us will be made solely at the discretion of the Continuing LLC Owners. We will exercise discretion regarding the form of consideration in a redemption or exchange. Pursuant to the exchange agreement, any such decisions will be made on our behalf by a majority of the disinterested members of our board of directors. We may not elect to pay cash if a registration statement under the Securities Act of 1933, as amended, is available for the issuance in connection with the exchange or the subsequent resale. Also pursuant to the exchange agreement, to the extent an exchange results in a Company liability relating to the New Hampshire business profits tax, the Continuing LLC Owners have agreed that they will contribute to Pla-Fit Holdings, LLC an amount sufficient to pay such tax liability (up to 3% of the value received upon exchange). If and when we subsequently realize a related tax benefit, Pla-Fit Holdings, LLC will distribute the amount of any such tax benefit to the relevant Continuing LLC Owner in respect of its contribution. We have agreed in the exchange agreement that we will use commercially reasonable efforts to reduce or eliminate this tax liability, provided it does not materially and adversely impact our net income, including by pursuing a change in the applicable law or by relocating our corporate

headquarters to a different state and franchising some or all of our 14 corporate-owned stores located in the State of New Hampshire.

Tax receivable agreements

Our acquisition of Holdings Units in connection with this offering and future and certain past exchanges of Holdings Units for shares of our Class A common stock (or cash) are expected to produce and have produced favorable tax attributes for us. Upon the completion of this offering, we will be a party to two tax receivable agreements. Under the first of those agreements, we generally will be required to pay to our Continuing LLC Owners 85% of the applicable cash savings, if any, in U.S. federal and state income tax that we are deemed to realize as a result of certain tax attributes of their Holdings Units sold to us (or exchanged in a taxable sale) and that are created as a result of (i) the sales of their Holdings Units for shares of our Class A common stock and (ii) tax benefits attributable to payments made under the tax receivable agreement (including imputed interest). Under the second tax receivable agreement, we generally will be required to pay to the Direct TSG Investors 85% of the amount of cash savings, if any, that we are deemed to realize as a result of the tax attributes of the Holdings Units that we hold in respect of the Direct TSG Investors' interest in us, which resulted from the Direct TSG Investors' purchase of interests in our 2012 acquisition by investment funds affiliated with TSG (the "2012 Acquisition"), and certain other tax benefits. Under both agreements, we generally will retain the benefit of the remaining 15% of the applicable tax savings. See "Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Tax receivable agreements."

Directed share program

At our request, the underwriters have reserved up to shares of Class A common stock, or approximately % of the shares being offered by this prospectus, for sale, at the initial public offering price, to our directors, officers, employees and other parties associated with us or TSG. Shares of Class A common stock purchased by any of such other parties subject to a lock-up agreement with the underwriters will be subject to the 180-day lockup restriction described in the "Underwriting" section of this prospectus. The number of shares of Class A common stock available for sale to the general public will be reduced to the extent these parties purchase any of these reserved shares. Any reserved shares of Class A 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 offered by this prospectus.

Controlled company

Following this offering we will be a "controlled company" within the meaning of the corporate governance rules of the NYSE. See "Management—Board composition and director independence."

Dividend policy

We do not currently intend to pay dividends on our Class A common stock. Holders of our Class B common stock are not entitled to participate in any dividends declared by our board of directors. Any future determination to pay dividends to

Table of Contents

holders of Class A common stock will be at the sole discretion of our board of directors and will depend upon many factors, including general economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions, the implications of the payment of dividends by us to our stockholders or by our subsidiaries to us and any other factors that our board of directors may deem relevant. See “Dividend policy.”

Risk factors

You should read the “Risk factors” section of this prospectus for a discussion of factors to consider carefully before deciding to invest in shares of our Class A common stock.

Proposed NYSE symbol “PLNT”

The number of shares of Class A common stock to be outstanding after this offering is based on _____ shares of Class A common stock outstanding as of _____, 2015 and excludes the following:

- _____ shares of Class A common stock issuable upon exchange or redemption of Holdings Units, together with corresponding shares of Class B common stock; and
- _____ shares of Class A common stock reserved for future issuance under our equity incentive plans as of _____, 2015.

Unless otherwise indicated, this prospectus reflects and assumes the following:

- the consummation of the recapitalization transactions;
- the adoption of our certificate of incorporation and our bylaws to be effective upon the completion of this offering; and
- no exercise by the underwriters of their option to purchase up to _____ additional shares of our Class A common stock in this offering.

Summary consolidated financial and other data

The following table sets forth the summary consolidated financial and other data of Pla-Fit Holdings, LLC for the periods presented and at the dates indicated below. The following information should be read in conjunction with “The recapitalization transactions,” “Use of proceeds,” “Capitalization,” “Management’s discussion and analysis of financial condition and results of operations” and our audited and unaudited consolidated financial statements and the related notes included elsewhere in this prospectus. Following this offering, Pla-Fit Holdings, LLC will be considered our predecessor for accounting purposes, and its consolidated financial statements will be our historical financial statements. The terms “Predecessor” and “Successor” used below and throughout this prospectus refer to the periods prior and subsequent to the 2012 Acquisition, respectively.

The summary consolidated financial data as of December 31, 2013 and 2014 and for the periods from January 1, 2012 to November 7, 2012 (Predecessor) and November 8, 2012 to December 31, 2012 (Successor) and for the years ended December 31, 2013 and 2014 (Successor) are derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated financial data as of March 31, 2015 and for the quarters ended March 31, 2014 and 2015 are derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. The summary consolidated financial data as of March 31, 2014 is derived from our unaudited balance sheet not included in this prospectus. In the opinion of our management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the results for those periods have been reflected.

The unaudited combined results of operations and cash flows for the year ended December 31, 2012 represents the mathematical addition of our Predecessor’s results of operations from January 1, 2012 to November 7, 2012, and the Successor’s results of operations from November 8, 2012 to December 31, 2012. We have included the unaudited combined financial information in order to facilitate a comparison with our other years.

Summary consolidated financial data for Planet Fitness, Inc. has not been provided, as Planet Fitness, Inc. is a newly incorporated entity and has had no business transactions or other activities to date and no assets or liabilities during the periods presented below.

Table of Contents

(in millions, except per share data)	Period from January 1, 201 2 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Combined year ended December 3 1, 2012	Years ended December 31,		Quarters ended March 31,	
				2013	2014	2014	2015
	(Predecessor)	(Successor)	(Unaudited) (1)	(Successor)	(Successor)	(Successor, Unaudited)	(Successor, Unaudited)
Consolidated statement of operations data:							
Revenue:							
Franchise revenue	\$ 21.3	\$ 4.4	\$ 25.7	\$ 33.7	\$ 58.0	\$ 12.5	\$ 17.0
Commission income	7.1	1.9	9.0	10.4	13.9	4.0	4.8
Franchise segment	28.4	6.3	34.7	44.1	71.9	16.5	21.8
Corporate-owned stores segment	40.4	8.8	49.2	67.4	85.0	17.7	23.5
Equipment segment	49.1	26.7	75.8	99.5	122.9	23.4	31.6
Total revenue	117.9	41.8	159.7	211.0	279.8	57.6	76.9
Operating costs and expenses:							
Cost of revenue	41.0	21.5	62.5	81.4	100.3	19.2	26.0
Store operations	28.4	5.9	34.3	41.7	49.5	10.5	14.3
Selling, general and administrative	19.5	2.6	22.1	23.1	35.1	6.6	14.1
Depreciation and amortization	5.7	7.0	12.7	28.8	32.3	6.5	8.2
Other (gains) losses	(1.9)	—	(1.9)	—	1.0	1.3	—
Total operating costs and expenses	92.7	37.0	129.7	175.0	218.2	44.1	62.6
Income from operations	25.2	4.8	30.0	36.0	61.6	13.5	14.3
Other income (expense), net:							
Interest income	0.9	0.1	1.0	0.5	0.4	0.1	0.2
Interest expense (2)	(2.3)	(2.5)	(4.8)	(9.4)	(22.2)	(6.6)	(5.0)
Other income (expense)	—	(0.1)	(0.1)	(0.7)	(1.3)	(0.4)	(0.7)
Total other expense, net	(1.4)	(2.5)	(3.9)	(9.6)	(23.1)	(6.9)	(5.5)
Income before provision for income taxes	23.8	2.3	26.1	26.4	38.5	6.6	8.8
Provision for income taxes	0.6	0.1	0.7	0.6	1.2	0.3	0.3
Net income	23.2	2.2	25.4	25.8	37.3	6.3	8.5
Less net income attributable to noncontrolling interests							
	1.0	—	1.0	0.4	0.5	0.2	0.1
Net income attributable to members of Pla-Fit Holdings, LLC	<u>\$ 22.2</u>	<u>\$ 2.2</u>	<u>\$ 24.4</u>	<u>\$ 25.4</u>	<u>\$ 36.8</u>	<u>\$ 6.1</u>	<u>\$ 8.4</u>
Pro forma net income per share data (unaudited): (3)							
Pro forma net income per share:							
Basic				\$ —		\$ —	
Diluted				\$ —		\$ —	

Pro forma weighted average shares of Class A common stock outstanding:								
Basic								
Diluted								
Consolidated statement of cash flows data:								
Net cash provided by operating activities	\$	66.9	\$	79.4	\$	8.2	\$	12.0
Net cash used in investing activities	\$	(7.1)	\$	(54.4)	\$	(39.5)	\$	(5.3)
Net cash used in financing activities	\$	(38.0)	\$	(13.0)	\$	15.0	\$	(22.5)
Consolidated balance sheet data:								
Cash and cash equivalents	\$	31.3	\$	43.3	\$	15.0	\$	27.5
Property and equipment, net	\$	33.8	\$	49.6	\$	40.6	\$	51.6
Total assets	\$	562.1	\$	609.3	\$	579.4	\$	579.6
Total debt and capital lease obligations	\$	184.5	\$	387.5	\$	391.1	\$	506.4
Total equity	\$	321.9	\$	151.7	\$	144.3	\$	12.4

Table of Contents

- (1) The table above sets forth our results of operations for the period from January 1, 2012 to November 7, 2012 (Predecessor), and the period November 8, 2012 to December 31, 2012 (Successor). The unaudited combined results of operations and cash flows for the year ended December 31, 2012 represents the mathematical addition of our Predecessor's results of operations from January 1, 2012 to November 7, 2012, and the Successor's results of operations from November 8, 2012 to December 31, 2012. We have included the unaudited combined financial information in order to facilitate a comparison with our other years. Each of the Predecessor and Successor results for the period from January 1, 2012 to November 7, 2012, and the period from November 8, 2012 to December 31, 2012, respectively, have been audited and are consistent with United States Generally Accepted Accounting Principles ("GAAP"). However, the presentation of unaudited combined financial information for the year ended December 31, 2012 is not consistent with GAAP or with the pro forma requirements of Article 11 of Regulation S-X, and may yield results that are not comparable on a period-to-period basis primarily due to (i) the impact of required purchase accounting adjustments and (ii) the new basis of accounting established in connection with the 2012 Acquisition. Such results are not necessarily indicative of what the results for the respective periods would have been had the 2012 Acquisition not occurred. All references to the year ended December 31, 2012 in this prospectus are based on this unaudited combined information.
- (2) Interest expense in 2014 includes \$4.7 million for the loss on extinguishment of debt.
- (3) Basic net income per share is computed by dividing the net income available to common stockholders by the weighted-average shares of common stock outstanding during the period. Diluted net income per share is computed by dividing the net income available to common stockholders by the weighted-average shares of common stock outstanding adjusted to give effect to potentially dilutive securities. For more information regarding the pro forma presentation of these measures, see "Unaudited pro forma consolidated financial information."

	Years ended December 31,			Quarters ended March 31,	
	2012	2013	2014	2014	2015
	(Combined)	(Successor)	(Successor)	(Successor)	(Successor)
Other Operating Data:					
(Unaudited) ⁽¹⁾					
Number of stores at end of period: ⁽²⁾					
Franchisee-owned	562	704	863	732	919
Corporate-owned	44	45	55	53	57
System-wide	<u>606</u>	<u>749</u>	<u>918</u>	<u>785</u>	<u>976</u>
Same store sales growth: ⁽³⁾					
Franchisee-owned	8.7%	9.1%	11.5%	13.6%	11.7%
Corporate-owned	4.8%	6.1%	5.4%	6.1%	4.6%
System-wide	8.1%	8.4%	10.8%	13.0%	10.9%
(In millions)					
System-wide membership data:					
Number of members at end of period ⁽⁴⁾					
System-wide sales ⁽⁵⁾	\$ 3.7	\$ 4.8	\$ 6.1	\$ 5.7	\$ 7.1
System-wide sales ⁽⁵⁾	\$ 693.7	\$ 891.0	\$ 1,189.9	\$ 228.0	\$ 328.0
EBITDA ⁽⁶⁾	\$ 42.6	\$ 64.1	\$ 92.6	\$ 19.6	\$ 21.8
Adjusted EBITDA ⁽⁶⁾	\$ 51.3	\$ 71.1	\$ 100.6	\$ 22.0	\$ 28.5

- (1) For the other operating data shown in the table above, we have combined the Predecessor and the Successor periods to present 2012 on a combined basis only.
- (2) We classify a store as open on the date the store receives its occupancy certificate, which is typically the date the store is first available for use by its members.
- (3) Same store sales refers to year-over-year sales comparisons for the same store sales base. We define the same store sales base to include those stores that have been open and for which membership dues have been billed for longer than 12 months. We measure same store sales based solely on monthly dues billed to members of our corporate-owned stores and franchisee-owned stores.
- (4) We define members as all active members, which includes monthly billing members, prepay members and all pre-sale members. Pre-sale members include those that have joined a store prior to the store opening. This data is system-wide, which includes members of both corporate-owned and franchisee-owned stores.
- (5) We define system-wide sales as the monthly dues and annual fees from members of both corporate-owned and franchisee-owned stores.

Table of Contents

- (6) EBITDA is defined as net income before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as net income before interest, taxes, depreciation and amortization, adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include certain purchase accounting adjustments, management fees, certain IT system upgrade costs, acquisition transaction fees, IPO-related costs, pre-opening costs and certain other charges and gains that we do not believe reflect our underlying business performance. EBITDA and Adjusted EBITDA as presented in this prospectus are supplemental measures of our performance that are neither required by, nor presented in accordance with, GAAP. EBITDA and Adjusted EBITDA should not be considered as substitutes for GAAP metrics such as net income or any other performance measures derived in accordance with GAAP. Also, in the future we may incur expenses or charges such as those added back to calculate Adjusted EBITDA. Our presentation of EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items. See "Management's discussion and analysis of financial condition and results of operations—Non-GAAP financial measures."

Risk factors

This offering and investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below together with all of the other information contained in this prospectus, including our consolidated financial statements and the related notes appearing at the end of this prospectus, before deciding to invest in our Class A common stock. If any of the following risks actually occurs, our business, prospects, operating results and financial condition could suffer materially, the trading price of our Class A common stock could decline and you could lose all or part of your investment.

Risks related to our business and industry

Our financial results are affected by the operating and financial results of and our relationships with our franchisees.

A substantial portion of our revenues come from royalties, which are generally based on a percentage of monthly membership dues and annual fees at our franchise stores, other fees and commissions generated from activities associated with our franchisees and equipment sales to our franchisees. As a result, our financial results are largely dependent upon the operational and financial results of our franchisees. As of March 31, 2015, we had 187 franchisee groups operating 919 stores. Negative economic conditions, including inflation, increased unemployment levels and the effect of decreased consumer confidence or changes in consumer behavior, could materially harm our franchisees' financial condition, which would cause our royalty and other revenues to decline and materially and adversely affect our results of operations and financial condition as a result. In addition, if our franchisees fail to renew their franchise agreements, these revenues may decrease, which in turn could materially and adversely affect our results of operations and financial condition.

Our franchisees could take actions that harm our business.

Our franchisees are contractually obligated to operate their stores in accordance with the operational, safety and health standards set forth in our agreements with them. However, franchisees are independent third parties and their actions are outside of our control. In addition, we cannot be certain that our franchisees will have the business acumen or financial resources necessary to operate successful franchises in their approved locations, and certain state franchise laws may limit our ability to terminate or modify these franchise agreements. The franchisees own, operate and oversee the daily operations of their stores. As a result, the ultimate success and quality of any franchise store rests with the franchisee. If franchisees do not successfully operate stores in a manner consistent with required standards and comply with local laws and regulations, franchise fees and royalties paid to us may be adversely affected and our brand image and reputation could be harmed, which in turn could adversely affect our results of operations and financial condition.

Moreover, although we believe we generally maintain positive working relationships with our franchisees, disputes with franchisees could damage our brand image and reputation and our relationships with our franchisees, generally.

Our success depends substantially on the value of our brand.

Our success is dependent in large part upon our ability to maintain and enhance the value of our brand, our store members' connection to our brand and a positive relationship with our franchisees. Brand value can be severely damaged even by isolated incidents, particularly if the incidents receive considerable negative publicity or result in litigation. Some of these incidents may relate to the way we manage our relationships with our franchisees, our growth strategies, our development efforts or the ordinary course of our, or our

Table of Contents

franchisees', businesses. Other incidents that could be damaging to our brand may arise from events that are or may be beyond our ability to control, such as:

- actions taken (or not taken) by one or more franchisees or their employees relating to health, safety, welfare or otherwise;
- data security breaches or fraudulent activities associated with our and our franchisees' electronic payment systems;
- litigation and legal claims;
- third-party misappropriation, dilution or infringement of our intellectual property;
- regulatory, investigative or other actions relating to our and our franchisees' provision of indoor tanning services; and
- illegal activity targeted at us or others.

Consumer demand for our stores and our brand's value could diminish significantly if any such incidents or other matters erode consumer confidence in us or our stores, which would likely result in fewer memberships sold or renewed and, ultimately, lower royalty revenue, which in turn could materially and adversely affect our results of operations and financial condition.

If we fail to successfully implement our growth strategy, which includes new store development by existing and new franchisees, our ability to increase our revenues and operating profits could be adversely affected.

Our growth strategy relies in large part upon new store development by existing and new franchisees. Our franchisees face many challenges in opening new stores, including:

- availability and cost of financing;
- selection and availability of suitable store locations;
- competition for store sites;
- negotiation of acceptable lease and financing terms;
- securing required domestic or foreign governmental permits and approvals;
- health and fitness trends in new geographic regions and acceptance of our offerings;
- employment, training and retention of qualified personnel;
- ability to open new stores during the timeframes we and our franchisees expect; and
- general economic and business conditions.

In particular, because the majority of our new store development is funded by franchisee investment, our growth strategy is dependent on our franchisees' (or prospective franchisees') ability to access funds to finance such development. If our franchisees (or prospective franchisees) are not able to obtain financing at commercially reasonable rates, or at all, they may be unwilling or unable to invest in the development of new stores, and our future growth could be adversely affected.

Our growth strategy also relies on our ability to identify, recruit and enter into agreements with a sufficient number of franchisees. In addition, our ability and the ability of our franchisees to successfully open and operate new stores in new markets may be adversely affected by a lack of awareness or acceptance of our

Table of Contents

brand as well as a lack of existing marketing efforts and operational execution in these new markets. To the extent that we are unable to implement effective marketing and promotional programs and foster recognition and affinity for our brand in new markets, our and our franchisees' new stores may not perform as expected and our growth may be significantly delayed or impaired. In addition, franchisees of new stores may have difficulty securing adequate financing, particularly in new markets, where there may be a lack of adequate history and brand familiarity. New stores may not be successful or our average store membership sales may not increase at historical rates, which could materially and adversely affect our business, results of operations and financial condition.

To the extent our franchisees are unable to open new stores as we anticipate, we will not realize the revenue growth that we hope or expect. Our failure to add a significant number of new stores would adversely affect our ability to increase our revenues and operating income and could materially and adversely affect our business, results of operations and financial condition.

Our planned growth 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 a significant increase in the number of system-wide stores. Our past expansion has placed, and our planned future expansion may place, significant demands on our administrative, operational, financial 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, technology, sales and operations functions. These processes are time-consuming and expensive, increase management responsibilities and divert management attention, and we may not realize a return on our investment in these processes. In addition, we believe the culture we foster at our and our franchisees' stores is an important contributor to our success. However, as we expand we may have difficulty maintaining our culture or adapting it sufficiently to meet the needs of our operations. These risks may be heightened as our growth accelerates. In 2014, our franchisees opened 169 stores, compared to 148 stores in 2013 and 118 stores in 2012. Our failure to successfully execute on our planned expansion of stores could materially and adversely affect our results of operations and financial condition.

We and our franchisees rely heavily on information systems, and any material failure, interruption or weakness may prevent us from effectively operating our business and damage our reputation.

We and our franchisees increasingly rely on information systems, including our point-of-sale processing systems in our stores and other information systems managed by third parties, to interact with our franchisees and members and collect, maintain and store member information and other personally identifiable information, including for the operation of stores, collection of cash, management of our supply chain, accounting, staffing, payment of obligations, Automated Clearing House ("ACH") transactions, credit and debit card transactions and other processes and procedures. Furthermore, we have recently migrated our point-of-sale system from a proprietary, third-party hosted system to a commercially available, third-party hosted system. In connection with the migration, there may be issues, bugs, data inconsistencies, outages and interruptions that could impact our business. Our ability to efficiently and effectively manage our franchisee and corporate-owned stores depends significantly on the reliability and capacity of these systems, and any potential failure of these third parties to provide quality uninterrupted service is beyond our control.

Our and our franchisees' operations depend upon our ability, and the ability of our franchisees and third-party service providers, to protect our computer equipment and systems against damage from physical theft, fire,

Table of Contents

power loss, telecommunications failure or other catastrophic events, as well as from internal and external security breaches, viruses, denial-of-service attacks and other disruptive problems. The failure of these systems to operate effectively, maintenance problems, upgrading or transitioning to new platforms, expanding our systems as we grow, a breach in security of these systems or other unanticipated problems could result in interruptions to or delays in our business and member service and reduce efficiency in our operations. In addition, the implementation of technology changes and upgrades to maintain current and integrate new systems, as well as transitions from one service provider to another, may also cause service interruptions, operational delays due to the learning curve associated with using a new system, transaction processing errors and system conversion delays and may cause us to fail to comply with applicable laws. If our information systems, or those of our franchisees and third-party service providers, fail and our or our partners' third-party back-up or disaster recovery plans are not adequate to address such failures, our revenues and profits could be reduced and the reputation of our brand and our business could be materially adversely affected. If we need to move to a different third-party system, our operations, including electronic funds transfer ("EFT") drafting, could be interrupted. In addition, remediation of such problems could result in significant, unplanned operating or capital expenditures.

If we fail to properly maintain the confidentiality and integrity of our data, including member credit, debit card and bank account information, our reputation and business could be materially and adversely affected.

In the ordinary course of business, we and our franchisees collect, transmit and store member and employee data, including credit and debit card numbers, bank account information, drivers license numbers, dates of birth and other highly sensitive personally identifiable information, in information systems that we maintain and in those maintained by franchisees and third parties with whom we contract to provide services. Some of this data is sensitive and could be an attractive target of criminal attack by malicious third parties with a wide range of motives and expertise, including organized criminal groups, "hactivists," disgruntled current or former employees, and others. The integrity and protection of that member and employee data is critical to us.

Despite the security measures we have in place to comply with applicable laws and rules, our facilities and systems, and those of our franchisees and third-party service providers, may be vulnerable to security breaches, acts of cyber terrorism or sabotage, vandalism or theft, computer viruses, misplaced, corrupted or lost data, programming or human errors or other similar events. Furthermore, the size and complexity of our information systems, and those of our franchisees and our third-party vendors, make such systems potentially vulnerable to security breaches from inadvertent or intentional actions by our employees, franchisees or vendors, or from attacks by malicious third parties. Because such attacks are increasing in sophistication and change frequently in nature, we, our franchisees 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 franchisees and third-party vendors, may not be discovered promptly.

Additionally, the collection, maintenance, use, disclosure and disposal of personally identifiable information by our, or our franchisees', businesses are regulated at the federal, state and provincial levels as well as by certain industry groups, such as the Payment Card Industry organization and the National Automated Clearing House Association ("NACHA"). Federal, state, provincial and industry groups may also consider and implement from time to time new privacy and security requirements that 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 personally identifiable information that are housed in one or more of our franchisees' databases or those of our third-party service providers. Noncompliance with privacy laws, industry group requirements or a security breach involving the misappropriation, loss or other unauthorized disclosure of personal, sensitive or confidential information, whether by us or by one of our franchisees or vendors, could have material adverse effects on our and our franchisees'

Table of Contents

business, operations, brand, reputation and financial condition, including decreased revenue, material fines and penalties, litigation, increased financial processing fees, compensatory, statutory, punitive or other damages, adverse actions against our licenses to do business and injunctive relief by court or consent order. We maintain and we require our franchisees to maintain cyber risk insurance, but in the event of a significant data security breach, this insurance may not cover all of the losses that we would be likely to suffer.

Changes in legislation or requirements related to electronic fund transfer, or our failure to comply with existing or future regulations, may adversely impact our business.

We primarily accept payments for our memberships through electronic fund transfers from members' bank accounts and, therefore, we are subject to federal, state and provincial legislation and certification requirements governing EFT, including the Electronic Funds Transfer Act. Some states, such as New York and Tennessee, have passed or have considered legislation requiring gyms and health clubs to offer a prepaid membership option at all times and/or limit the duration for which gym memberships can auto-renew through EFT payments, if at all. Our business relies heavily on the fact that our memberships continue on a month-to-month basis after the completion of any initial term requirements, and compliance with these laws and regulations and similar requirements may be onerous and expensive. In addition, variances and inconsistencies from jurisdiction to jurisdiction may further increase the cost of compliance and doing business. States that have such health club statutes provide harsh penalties for violations, including membership contracts being void or voidable. Our failure to comply fully with these rules or requirements may subject us to fines, higher transaction fees, penalties, damages and civil liability and may result in the loss of our ability to accept EFT payments, which would have a material adverse effect on our business, results of operations and financial condition. In addition, any such costs, which may arise in the future as a result of changes to the legislation and regulations or in their interpretation, could individually or in the aggregate cause us to change or limit our business practice, which may make our business model less attractive to our franchisees and our and their members.

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

We accept payments through ACH, credit card and debit card transactions. For ACH, credit card and debit card payments, 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 operating results.

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 operating results.

If we fail to adequately control fraudulent ACH, credit card and debit card 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, financial condition and results of operations. 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.

Our and our franchisees' stores may be unable to attract and retain members, which would materially and adversely affect our business, results of operations and financial condition.

Our target market is average people seeking regular exercise and people who are new to fitness. The success of our business depends on our and our franchisees' ability to attract and retain members. Our and our

Table of Contents

franchisees' marketing efforts may not be successful in attracting members to stores, and membership levels may materially decline over time, especially at stores in operation for an extended period of time. Members may cancel their memberships at any time after giving proper advance written notice, subject to an initial minimum term applicable to certain memberships. We may also cancel or suspend memberships if a member fails to provide payment for an extended period of time. In addition, we experience attrition and must continually engage existing members and attract new members in order to maintain membership levels. A portion of our member base does not regularly use our stores and may be more likely to cancel their membership. Some of the factors that could lead to a decline in membership levels include changing desires and behaviors of consumers or their perception of our brand, 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, an increase in monthly membership dues due to inflation, direct and indirect competition in our industry, and a decline in the public's interest in health and fitness, among other factors. In order to increase membership levels, we may from time to time offer promotions or lower monthly dues or annual fees. If we and our franchisees are not successful in optimizing price or in adding new memberships in new and existing stores, growth in monthly membership dues or annual fees may suffer. Any decrease in our average dues or fees or higher membership costs may adversely impact our results of operation and financial condition.

If we and our franchisees are unable to identify and secure suitable sites for new franchise stores, our revenue growth rate and profits may be negatively impacted.

To successfully expand our business, we and our franchisees must identify and secure sites for new franchise stores and, to a lesser extent, new corporate-owned stores that meet our established criteria. 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 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. If we and our franchisees are unable to identify and secure sites for new stores, our revenue growth rate and profits may be negatively impacted. Additionally, if our or our franchisees' analysis of the suitability of a store site is incorrect, we or our franchisees may not be able to recover the capital investment in developing and building the new store.

As we increase our number of stores, we and our franchisees may also open stores in higher-cost geographies, which could entail greater lease payments and construction costs, among others. The higher level of invested capital at these stores may require higher operating margins and higher net income per store to produce the level of return we or our franchisees and potential franchisees expect. Failure to provide this level of return could adversely affect our results of operations and financial condition.

Opening new stores in close proximity may negatively impact our existing stores' revenues and profitability.

We and our franchisees currently operate stores in 47 states, Puerto Rico and Canada, and we and our franchisees plan to open many new stores in the future, some of which will be in existing markets. We intend to continue opening new franchise stores in our existing markets as part of our growth strategy, some of which may be located in close proximity to stores already in those markets. Opening new stores in close proximity to existing stores may attract some memberships away from those existing stores, which may lead to diminished revenues and profitability for us and our franchisees rather than increased market share. In addition, as a result of new stores opening in existing markets and because older stores will represent an increasing proportion of our store base over time, our same store sales increases may be lower in future periods than they have been historically.

We are subject to a variety of additional risks associated with our franchisees.

Our franchise business model subjects us to a number of risks, any one of which may impact our royalty revenues collected from our franchisees, may harm the goodwill associated with our brand, and may materially and adversely impact our business and results of operations.

Bankruptcy of franchisees. A franchisee bankruptcy could have a substantial negative impact on our ability to collect payments due under such franchisee's franchise agreement(s). In a franchisee bankruptcy, the bankruptcy trustee may reject its franchise agreement(s), ADA(s) and/or franchisee lease/sublease pursuant to Section 365 under the U.S. bankruptcy code, in which case there would be no further royalty payments from such franchisee, and we may not ultimately recover those payments in a bankruptcy proceeding of such franchisee in connection with a damage claim resulting from such rejection.

Franchisee changes in control. Our franchises are operated by independent business owners. Although we have the right to approve franchise owners, and any transferee owners, it can be difficult to predict in advance whether a particular franchise owner will be successful. If an individual franchise owner is unable to successfully establish, manage and operate the store, the performance and quality of service of the store could be adversely affected, which could reduce memberships and negatively affect our royalty revenues and brand image. Although our agreements prohibit "changes in control" of a franchisee without our prior consent as the franchisor, a franchise owner may desire to transfer a store to a transferee franchisee. In addition, in the event of the death or disability of a franchisee (if a natural person) or a principal of a franchisee entity, the executors and representatives of the franchisee are required to transfer the relevant franchise agreements to a successor franchisee approved by the franchisor. In any transfer situation, the transferee may not be able to perform the former franchisee's obligations under such franchise agreements and successfully operate the store. In such a case the performance and quality of service of the store could be adversely affected, which could also reduce memberships and negatively affect our royalty revenues and brand image.

Franchisee insurance. Our franchise agreements require each franchisee to maintain certain insurance types and levels. Losses arising from certain extraordinary hazards, however, may not be covered, and insurance may not be available (or may be available only at prohibitively expensive rates) with respect to many other risks. Moreover, any loss incurred could exceed policy limits and policy payments made to franchisees may not be made on a timely basis. Any such loss or delay in payment could have a material adverse effect on a franchisee's ability to satisfy its obligations under its franchise agreement or other contractual obligations, which could cause a franchisee to terminate its franchise agreement and, in turn, negatively affect our operating and financial results.

Some of our franchisees are operating entities. Franchisees may be natural persons or legal entities. Our franchisees that are operating companies (as opposed to limited purpose entities) are subject to business, credit, financial and other risks, which may be unrelated to the operation of their stores. These unrelated risks could materially and adversely affect a franchisee that is an operating company and its ability to service its members and maintain store operations while making royalty payments, which in turn may materially and adversely affect our business and operating results.

Franchise agreement termination; nonrenewal. Each franchise agreement is subject to termination by us as the franchisor in the event of a default, generally after expiration of applicable cure periods, although under certain circumstances a franchise agreement may be terminated by us upon notice without an opportunity to cure. The default provisions under the franchise agreements are drafted broadly and include, among other things, any failure to meet operating standards and actions that may threaten the licensed intellectual property. Moreover, a franchisee may have a right to terminate its franchise agreement in certain circumstances.

Table of Contents

In addition, each franchise agreement has an expiration date. Upon the expiration of a franchise agreement, we or the franchisee may, or may not, elect to renew the franchise agreement. If the franchise agreement is renewed, the franchisee will receive a “successor” franchise agreement for an additional term. Such option, however, is contingent on the franchisee’s execution of the then-current form of franchise agreement (which may include increased royalty revenues, advertising fees and other fees and costs), the satisfaction of certain conditions (including re-equipment and remodeling of the store and other requirements) and the payment of a renewal fee. If a franchisee is unable or unwilling to satisfy any of the foregoing conditions, the expiring franchise agreement will terminate upon expiration of its term.

Franchisee litigation; effects of regulatory efforts. We and our franchisees are subject to a variety of litigation risks, including, but not limited to, member claims, personal injury claims, vicarious liability claims, litigation with or involving our relationship with franchisees, litigation alleging that the franchisees are our employees or that we are the co-employer of our franchisees’ employees, employee allegations against the franchisee or us of improper termination and discrimination, landlord/tenant disputes and intellectual property claims, among others. Each of these claims may increase costs, reduce the execution of new franchise agreements and affect the scope and terms of insurance or indemnifications we and our franchisees may have. In addition, we and our franchisees are subject to various regulatory efforts to enforce employment laws, such as efforts to categorize franchisors as the co-employers of their franchisees’ employees; legislation to categorize individual franchised businesses at large employers for the purposes of various employment benefits; and other legislation or regulations that may have a disproportionate impact on franchisors and/or franchised businesses. These changes may impose greater costs and regulatory burdens on franchising, and negatively affect our ability to sell new franchises.

Franchise agreements and franchisee relationships. Our franchisees develop and operate their stores under terms set forth in our ADAs and franchise agreements, respectively. These agreements give rise to long-term relationships that involve a complex set of mutual obligations and mutual cooperation. We have a standard set of agreements that we typically use with our franchisees, but various franchisees have negotiated specific terms in these agreements. Furthermore, we may from time to time negotiate terms of our franchise agreements with individual franchisees or groups of franchisees (e.g., a franchisee association). We seek to have positive relationships with our franchisees, based in part on our common understanding of our mutual rights and obligations under our agreements, to enable both the franchisees’ business and our business to be successful. However, we and our franchisees may not always maintain a positive relationship or always interpret our agreements in the same way. Our failure to have positive relationships with our franchisees could individually or in the aggregate cause us to change or limit our business practices, which may make our business model less attractive to our franchisees or our members.

While our franchisee revenues are not concentrated among one or a small number of parties, the success of our business does depend in large part on our ability to maintain contractual relationships with franchisees in profitable stores. A typical franchise agreement has a ten-year term. While our largest franchisee group accounts for less than 6% of our total stores, certain of our franchisee groups account for 5%, or close to 5%, of our total stores. If we fail to maintain or renew our contractual relationships on acceptable terms, or if one or more of these significant franchisees were to become insolvent or otherwise were unwilling to pay amounts due to us, our business, reputation, financial condition and results of operations could be materially adversely affected.

The high level of competition in the health and fitness industry could materially and adversely affect our business.

We compete with the following industry participants: other health and fitness clubs; physical fitness and recreational facilities established by non-profit organizations and businesses for their employees; private

studios and other boutique fitness offerings; racquet, tennis and other athletic clubs; amenity and condominium/apartment clubs; country clubs; online personal training and fitness coaching; the home-use fitness equipment industry; local tanning salons; businesses offering similar services; and other businesses that rely on consumer discretionary spending. We may not be able to compete effectively in the markets in which we operate in the future. Competitors may attempt to copy our business model, or portions thereof, which could erode our market share and brand recognition and impair our growth rate and profitability. Competitors, including companies that are larger and have greater resources than us, may compete with us to attract members in our markets. Non-profit organizations in our markets may be able to obtain land and construct stores at a lower cost and collect membership dues and fees without paying taxes, thereby allowing them to charge lower prices. Luxury fitness companies may attempt to enter our market by lowering prices or creating lower price brand alternatives. Furthermore, due to the increased number of low-cost health and fitness club alternatives, we may face increased competition if we increase our price or if discretionary spending declines. This competition may limit our ability to attract and retain existing members and our ability to attract new members, which in each case could materially and adversely affect our results of operation and financial condition.

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 stores, including our exercise equipment and point-of-sale software and hardware, are sourced from third-party suppliers. In addition, we rely on third-party suppliers to manage and maintain both our domestic and Canadian websites, and in 2014 over 20% of our new members joined online through our websites. Although we believe that adequate substitutes are currently available, we depend on these third-party suppliers 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, including, for our overseas suppliers, vessel availability and port delays or congestion. Any disruption to our suppliers' operations could impact our supply chain and our ability to service our existing stores and open new stores on time or at all and thereby generate revenue. 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 would 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 we or our franchisees require to open new and refurbish existing stores, our suppliers encounter difficulties meeting our and our franchisees' demands for products or services, our websites 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, our ability to serve our members and grow our brand would be interrupted. If any of these events occur, it could have a material adverse effect on our business and operating results.

Our franchisees may incur rising costs related to construction of new stores and maintenance of existing stores, which could adversely affect the attractiveness of our franchise model, and in turn our business, results of operations and financial condition.

Our stores require significant upfront and ongoing investment, including periodic remodels and equipment replacement. If our franchisees' costs are greater than expected, franchisees may need to outperform their operational plan to achieve their targeted return. In addition, increased costs may result in lower profits to the franchisees, which may cause them to terminate their franchise agreement or make it harder for us to attract new franchisees, which in turn could materially and adversely affect our business, results of operations and financial condition.

Table of Contents

In addition, if a franchisee is unwilling or unable to acquire the necessary financing to invest in the maintenance and upkeep of its stores, including periodic remodeling and replacement of equipment, the quality of its stores could deteriorate, which may have a negative impact on our brand image and our ability to attract and maintain members, which in turn may have a negative impact on our revenues.

We and our franchisees could be subject to claims related to health and safety risks to members that arise while at both our corporate-owned and franchise stores.

Use of our and our franchisees' stores poses some potential health and safety risks to members or guests through physical exertion and use of our services and facilities, including exercise and tanning equipment. Claims might be asserted against us and our franchisees for injuries suffered by or death of members or guests while exercising and using the facilities at a store. We may not be able to successfully defend such claims. We also may not be able to maintain our general liability insurance on acceptable terms in the future or maintain a level of insurance that would provide adequate coverage against potential claims. Depending upon the outcome, these matters may have a material adverse effect on our results of operations, financial condition and cash flows.

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 our corporate headquarters and our corporate-owned stores, and on our and our franchisees' ability to recruit, retain and motivate key employees. Competition for such employees can be 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 and our franchisees' operating efficiency and financial condition.

Our intellectual property rights, including trademarks and trade names, may be infringed, misappropriated or challenged by others.

We believe our brand and related intellectual property are important to our continued success. We seek to protect our trademarks, trade names, copyrights and other intellectual property by exercising our rights under applicable state and federal laws. If we were to fail to successfully protect our intellectual property rights for any reason, or if any third party misappropriates, dilutes or infringes our intellectual property, the value of our brands may be harmed, which could have an adverse effect on our business, results of operations and financial condition. Any damage to our reputation could cause membership levels to decline or make it more difficult to attract new members.

We may also from time to time be required to initiate litigation to enforce our trademarks, service marks and other intellectual property. Third parties may also assert that we have infringed, misappropriated or otherwise violated their intellectual property rights, which could lead to litigation against us. Litigation is inherently uncertain and could divert the attention of management, result in substantial costs and diversion of resources and could negatively affect our membership sales and profitability regardless of whether we are able to successfully enforce or defend our rights.

Use of social media 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, including blogs, social media websites and other forms of internet-based communication, which allow individuals access to 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 reputation or business. Consumers value readily available information about health clubs and often act on such information without further investigation and

Table of Contents

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 stores, 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 stores.

We also use social media platforms as marketing tools. For example, we maintain Facebook and Twitter accounts. As laws and regulations rapidly evolve to govern the use of these platforms and devices, the failure by us, our employees, our franchisees 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 and our franchisees' business, financial condition and results of operations or subject us to fines or other penalties.

If we fail to obtain and retain high-profile strategic partnership arrangements, or if the reputation of any of our partners is impaired, our business may suffer.

A principal component of our marketing program has been to partner with high-profile marketing partners, such as NBC's "The Biggest Loser" and our sponsorship of ABC's "Dick Clark's New Year's Rockin' Eve with Ryan Seacrest 2015," to help us extend the reach of our brand. Although we have partnered with several well-known partners in this manner, we may not be able to attract and partner with new marketing partners in the future. In addition, if the actions of our partners were to damage their reputation, our partnerships may be less attractive to our current or prospective members. Any of these failures by us or our partners could adversely affect our business and revenues.

We are subject to risks associated with leasing property subject to long-term non-cancelable leases.

We do not own any real property, and all of our corporate-owned stores are located on leased premises. The leases for our stores generally have initial terms of 10 years and typically provide for two renewal options in five-year increments as well as for rent escalations.

Generally, our leases are net leases that require us to pay our share of the costs of real estate taxes, utilities, building operating expenses, insurance and other charges in addition to rent. We generally cannot terminate these leases before the end of the initial lease term. Additional sites that we lease are likely to be subject to similar long-term, non-terminable leases. If we close a store, we nonetheless may be obligated to perform our monetary obligations under the applicable lease, including, among other things, payment of the base rent for the balance of the lease term. In addition, if we fail to negotiate renewals, either on commercially acceptable terms or at all, as each of our leases expire we could be forced to close stores in desirable locations. We depend on cash flows from operations to pay our lease expenses and to fulfill our other cash needs. If our business does not generate sufficient cash flow from operating activities, and sufficient funds are not otherwise available to us from borrowings under our senior secured credit facility or other sources, we may not be able to service our lease expenses or fund our other liquidity and capital needs, which would materially affect our business.

Our business is subject to various laws and regulations and changes in such laws and regulations, or failure to comply with existing or future laws and regulations, could adversely affect our business.

We are subject to a trade regulation rule on franchising ("FTC Franchise Rule") promulgated by the Federal Trade Commission (the "FTC") that regulates the offer and sale of franchises in the United States and that requires us to provide to all prospective franchisees certain mandatory disclosure in a franchise disclosure document ("FDD"). In addition, we are subject to state franchise sales laws in approximately 14 states that regulate the offer and sale of franchises by requiring us to make a franchise filing or obtain franchise registration prior to our making any offer or sale of a franchise in those states and to provide a FDD to prospective franchisees in accordance with such laws. We are subject to franchise sales laws in five provinces in Canada that regulate the offer and sale of franchises by requiring us to provide a FDD in a prescribed format to prospective franchisees in accordance with such laws, and

Table of Contents

that regulate certain aspects of the franchise relationship. Failure to comply with such laws may result in a franchisee's right to rescind its franchise agreement and damages, and may result in investigations or actions from federal or state franchise authorities, civil fines or penalties, and stop orders, among other remedies. We are also subject to franchise relationship laws in over 20 states that regulate many aspects of the franchisor-franchisee relationship, including renewals and terminations of franchise agreements, franchise transfers, the applicable law and venue in which franchise disputes must be resolved, discrimination and franchisees' right to associate, among others. Our failure to comply with such franchise relationship laws could result in fines, damages, and our inability to enforce franchise agreements where we have violated such laws. Although we believe that our FDDs, franchise sales practices and franchise activities comply with such franchise sales laws and franchise relationship laws, our non-compliance could result in liability to franchisees and regulatory authorities (as described above), inability to enforce our franchise agreements and a reduction in our anticipated royalty revenue, which in turn may materially and adversely affect our business and results of operating.

We and our franchisees are also subject to the Fair Labor Standards Act of 1938, as amended, and various other laws in the United States and Canada governing such matters as minimum-wage requirements, overtime and other working conditions. A significant number of our and our franchisees' employees are paid at rates related to the U.S. federal minimum wage, and past increases in the U.S. federal minimum wage have increased labor costs, as would future increases. Any increases in labor costs might result in our and our franchisees inadequately staffing stores. Such increases in labor costs and other changes in labor laws could affect store performance and quality of service, decrease royalty revenues and adversely affect our brand.

Our and our franchisees' operations and properties are subject to extensive U.S. and Canadian federal, state, provincial and local laws and regulations, including those relating to environmental, building and zoning requirements. Our and our franchisees' development of properties depends to a significant extent on the selection and acquisition of suitable sites, which are subject to zoning, land use, environmental, traffic and other regulations and requirements. Failure to comply with these legal requirements could result in, among other things, revocation of required licenses, administrative enforcement actions, fines and civil and criminal liability, which could adversely affect our business.

We and our franchisees are responsible at stores we each operate for compliance with state and provincial laws that regulate the relationship between stores and their members. Many states and provinces have consumer protection regulations that may limit the collection of membership dues or fees prior to opening, require certain disclosures of pricing information, mandate the maximum length of contracts and "cooling off" periods for members (after the purchase of a membership), set escrow and bond requirements for stores, govern member rights in the event of a member relocation or disability, provide for specific member rights when a store closes or relocates, or preclude automatic membership renewals. Our or our franchisees' failure to comply fully with these rules or requirements may subject us or our franchisees to fines, penalties, damages, and civil liability, or result in membership contracts being void or voidable. In addition, states may update these laws and regulations. Any additional costs which may arise in the future as a result of changes to the legislation and regulations or in their interpretation could individually or in the aggregate cause us to change or limit our business practices, which may make our business model less attractive to our franchisees or our members.

Regulatory restrictions placed on indoor tanning services and negative opinions about the health effects of indoor tanning services could harm our reputation and our business.

Although our business model does not place an emphasis on indoor tanning, the vast majority of our corporate-owned and franchise stores offer indoor tanning services. We offer tanning services as one of many amenities available to our PF Black Card members. Many states and provinces where we and our franchisees operate have health and safety regulations that apply to health clubs and other facilities that offer indoor tanning services. In addition to regulations imposed on the indoor tanning industry, medical opinions and opinions of

commentators in the general public regarding negative health effects of indoor tanning services could adversely impact the value of our PF Black Card memberships and our future revenues and profitability. Although the tanning industry is regulated by U.S. and Canadian federal, state and provincial government agencies, negative publicity regarding the potentially harmful health effects of the tanning services we offer at our stores could lead to additional legislation or further regulation of the industry. The potential increase in cost of complying with these regulations could have a negative impact on our profit margins.

The continuation of our tanning services is dependent upon the public's sustained belief that the benefits of utilizing tanning services outweigh the risks of exposure to ultraviolet light. Any significant change in public perception of tanning equipment or any investigative or regulatory action by a government agency or other regulatory authority could impact the appeal of indoor tanning services to our PF Black Card members, and could in turn have an adverse effect on our and our franchisees' reputation, business, results of operations and financial condition as well as our ability to profit from sales of tanning equipment to our franchisees.

In addition, from time to time, government agencies and other regulatory authorities have shown an interest in taking investigative or regulatory action with respect to tanning services. For example, we recently received notice from the Office of the Attorney General of New York ("OAG") that they are considering filing an action against us with respect to alleged minor violations of tanning regulations at certain franchisee stores in New York. Although we understand that the OAG's investigation is part of a larger initiative with respect to tanning salons and other providers of tanning services and do not believe that any OAG action would have a direct adverse effect on us, publicity regarding the OAG's initiative could influence public perception of the tanning services we offer and of the benefits of our PF Black Card membership.

Risks related to our indebtedness

As of March 31, 2015, we had total indebtedness of \$506.4 million, including capital leases, and our substantial indebtedness could adversely affect our financial condition and limit our ability to pursue our growth strategy.

We have a substantial amount of debt, which requires significant interest payments. As of March 31, 2015, we had total indebtedness of \$506.4 million, including capital leases. Subject to the restrictions contained in our senior secured credit facility applicable to our subsidiary Planet Fitness Holdings, LLC, as borrower, and its restricted subsidiaries and its parent Planet Intermediate, LLC, as guarantors, we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. These restrictions will not prevent us from incurring obligations that do not constitute indebtedness, may be waived by certain votes of debt holders and, if we refinance our existing indebtedness, such refinancing indebtedness may contain fewer restrictions on our activities. To the extent new indebtedness or other financial obligations are added to our and our subsidiaries' currently anticipated indebtedness levels, the related risks that we and our subsidiaries face could intensify.

Our substantial level of indebtedness could adversely affect our financial condition and increase the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of our indebtedness. Our substantial indebtedness, combined with our other existing and any future financial obligations and contractual commitments, could have important consequences. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations under our senior secured credit facility, including restrictive covenants, could result in an event of default under such facilities;

Table of Contents

- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing funds available for working capital, capital expenditures, acquisitions, selling and marketing efforts, research and development and other purposes;
- increase our vulnerability to adverse economic and industry conditions, which could place us at a competitive disadvantage compared to our competitors that have proportionately less indebtedness;
- increase our cost of borrowing and cause us to incur substantial fees from time to time in connection with debt amendments or refinancings;
- increase our exposure to rising interest rates because a portion of our borrowings is at variable interest rates;
- limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate; and
- limit our ability to borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions, selling and marketing efforts, research and development and other corporate purposes.

By the nature of their relationship to our enterprise, debt holders may have different points of view on the use of company resources as compared to our management. The financial and contractual obligations related to our debt also represent a natural constraint on any intended use of company resources.

Restrictions imposed by our outstanding indebtedness and any future indebtedness may limit our ability to operate our business and to finance our future operations or capital needs or to engage in other business activities.

The terms of our outstanding indebtedness restrict us from engaging in specified types of transactions. These covenants restrict our ability, among other things, to:

- incur indebtedness or guarantees or engage in sale-leaseback transactions;
- incur liens;
- engage in mergers, acquisitions and asset sales;
- alter the business conducted by Planet Intermediate, LLC, Planet Fitness Holdings, LLC and its restricted subsidiaries;
- make investments and loans;
- declare dividends or other distributions;
- enter into agreements limiting restricted subsidiary distributions; and
- engage in certain transactions with affiliates.

In addition, the credit agreement governing our senior secured credit facility requires us to comply with a financial maintenance covenant, which covenant is solely for the benefit of the revolving credit facility. Our ability to comply with this financial covenant can be affected by events beyond our control, and we may not be able to satisfy it. See “Description of certain indebtedness.”

A breach of any of the restrictive covenants in the credit agreement governing our senior secured credit facility could result in an event of default, which could trigger acceleration of our indebtedness and may result in the acceleration of or default under any other debt we may incur in the future to which a cross-acceleration or

Table of Contents

cross-default provision applies, which could have a material adverse effect on our business, results of operations and financial condition. In the event of any default under our credit facilities, the applicable lenders could elect to terminate borrowing commitments and declare all borrowings and loans outstanding, together with accrued and unpaid interest and any fees and other obligations, to be due and payable. In addition, or in the alternative, the applicable lenders could exercise their rights under the security documents entered into in connection with our credit facilities. We have pledged a significant portion of our assets as collateral under our senior secured credit facility.

If we were unable to repay or otherwise refinance these borrowings and loans when due, the applicable lenders could proceed against the collateral granted to them to secure that indebtedness, which could force us into bankruptcy or liquidation. In the event the applicable lenders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. Any acceleration of amounts due under the agreements governing our credit facilities or the exercise by the applicable lenders of their rights under the security documents would likely have a material adverse effect on our business. As a result 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 may affect our ability to grow in accordance with our strategy.

We will require a significant amount of cash to service our indebtedness. The ability to generate cash or refinance our indebtedness as it becomes due depends on many factors, some of which are beyond our control.

We are a holding company, and as such have no independent operations or material assets other than our ownership of equity interests in our subsidiaries, and our subsidiaries' contractual arrangements with customers, and we will depend on our subsidiaries to distribute funds to us so that we may pay our obligations and expenses. Our ability to make scheduled payments on, or to refinance our respective obligations under, our indebtedness and to fund planned capital expenditures and other corporate expenses will depend on the ability of our subsidiaries to make distributions, dividends or advances to us, which in turn will depend on our subsidiaries' future operating performance and on economic, financial, competitive, legislative, regulatory and other factors and any legal and regulatory restrictions on the payment of distributions and dividends to which they may be subject. Many of these factors are beyond our control. We can provide no assurance that our business will generate sufficient cash flow from operations, that currently anticipated cost savings and operating improvements will be realized or that future borrowings will be available to us in an amount sufficient to enable us to satisfy our respective obligations under our indebtedness or to fund our other needs. In order for us to satisfy our obligations under our indebtedness and fund planned capital expenditures, we must continue to execute our business strategy. If we are unable to do so, we may need to reduce or delay our planned capital expenditures or refinance all or a portion of our indebtedness on or before maturity. Significant delays in our planned capital expenditures may materially and adversely affect our future revenue prospects. In addition, we can provide no assurance that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly.

Borrowings under our senior secured credit facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on variable rate indebtedness would increase

Table of Contents

even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease.

Our senior secured credit facility includes a London Inter-Bank Offered Rates ("LIBOR") floor of 1.00%, which at March 31, 2015 was in excess of LIBOR. If the three-month LIBOR spot rate were to increase or decrease by 0.125% from current rates, interest expense would not change due to application of the 1.00% floor previously mentioned. If the specified LIBOR rate were to increase above 1.00%, 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, would correspondingly decrease. An increase of 0.125% over the 1.00% floor previously mentioned would result in an approximate increase of \$0.6 million in our annual interest expense associated with our senior secured credit facilities.

We have entered into and may continue to enter into interest rate swaps, caps or other derivative financial instruments that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain derivative financial instruments with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

Risks related to our organizational structure

We will be required to pay certain of our existing owners for certain tax benefits we may claim, and we expect that the payments we will be required to make will be substantial.

Our acquisition of Holdings Units in connection with this offering and future and certain past exchanges of Holdings Units for shares of our Class A common stock (or cash) are expected to produce and have produced favorable tax attributes for us. Upon the completion of this offering, we will be a party to two tax receivable agreements. Under the first of those agreements, we generally will be required to pay to our Continuing LLC Owners 85% of the applicable cash savings, if any, in U.S. federal and state income tax that we are deemed to realize as a result of certain tax attributes of their Holdings Units sold to us (or exchanged in a taxable sale) and that are created as a result of (i) the sales of their Holdings Units for shares of our Class A common stock and (ii) tax benefits attributable to payments made under the tax receivable agreement (including imputed interest). Under the second tax receivable agreement, we generally will be required to pay to the Direct TSG Investors 85% of the amount of cash savings, if any, that we are deemed to realize as a result of the tax attributes of the Holdings Units that we hold in respect of the Direct TSG Investors' interest in us, which resulted from the Direct TSG Investors' purchase of interests in the 2012 Acquisition, and certain other tax benefits. Under both agreements, we generally will retain the benefit of the remaining 15% of the applicable tax savings.

The payment obligations under the tax receivable agreements are obligations of Planet Fitness, Inc., and we expect that the payments we will be required to make under the tax receivable agreements will be substantial. Assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the tax receivable agreements, we expect that the reduction in tax payments for us associated with sales of the corresponding Holdings Units as described above would aggregate to approximately \$ over years from the date of this offering based on an initial public offering price of \$ per share of our Class A common stock, which is the midpoint of the price range set forth on the front cover of this prospectus, and assuming all future sales would occur one year after this offering. Under such scenario, we would be required to pay the other parties to the tax receivable agreements 85% of such amount, or \$, over the -year period from the date of this offering. The actual amounts may materially differ from these hypothetical amounts, as potential future reductions in tax payments for us, and tax receivable agreement payments by us, will be calculated using the market value of our Class A common stock at the time of the sale and the prevailing tax rates applicable to us over the life of the tax receivable agreements and will

Table of Contents

be dependent on us generating sufficient future taxable income to realize the benefit. See “Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Tax receivable agreements.” Payments under the tax receivable agreements are not conditioned on the Continuing LLC Owners’ ownership of our shares after this offering.

The actual increase in tax basis, as well as the amount and timing of any payments under these agreements, will vary depending upon a number of factors, including the timing of sales by the Continuing LLC Owners, the price of our Class A common stock at the time of the sales, whether such sales are taxable, the amount and timing of the taxable income we generate in the future, the tax rate then applicable and the portion of our payments under the tax receivable agreements constituting imputed interest. Payments under the tax receivable agreements are expected to give rise to certain additional tax benefits attributable to either further increases in basis or in the form of deductions for imputed interest (generally calculated using one-year LIBOR), depending on the tax receivable agreements and the circumstances. Any such benefits are covered by the tax receivable agreements and will increase the amounts due thereunder. The tax receivable agreements will provide for interest, at a rate equal to one-year LIBOR, accrued from the due date (without extensions) of the corresponding tax return to the date of payment specified by the tax receivable agreements. In addition, under certain circumstances where we are unable to make timely payments under the tax receivable agreements, the tax receivable agreements will provide for interest to accrue on unpaid payments, at a rate equal to one-year LIBOR plus basis points.

Payments under the tax receivable agreements will be based on the tax reporting positions that we determine. Although we are not aware of any issue that would cause the IRS to challenge a tax basis increase or other tax attributes subject to the tax receivable agreements, we will not be reimbursed for any payments previously made under the tax receivable agreements if such basis increases or other benefits are subsequently disallowed. As a result, in certain circumstances, payments could be made under the tax receivable agreements in excess of the benefits that we are deemed to realize in respect of the attributes to which the tax receivable agreements relate.

Our ability to pay taxes and expenses, including payments under the tax receivable agreements, may be limited by our structure.

Upon the consummation of this offering, we will have no material assets other than our ownership of Holdings Units of Pla-Fit Holdings, LLC. As such, we will have no independent means of generating revenue. Pla-Fit Holdings, LLC will be treated as a partnership for U.S. federal income tax purposes and, as such, will not be subject to U.S. federal income tax. Instead, taxable income will be allocated to holders of its Holdings Units, including us. Accordingly, we will incur income taxes on our allocable share of any taxable income of Pla-Fit Holdings, LLC, and will also incur expenses related to our operations. Pursuant to the amended and restated limit liability company agreement of Pla-Fit Holdings, LLC (the “New LLC Agreement”), Pla-Fit Holdings, LLC will make cash distributions to the owners of Holdings Units for purposes of funding their tax obligations in respect of the income of Pla-Fit Holdings, LLC that is allocated to them, to the extent other distributions from Pla-Fit Holdings, LLC have been insufficient. In addition to tax expenses, we also will incur expenses related to our operations, including payment obligations under the tax receivable agreements, which we expect will be significant. We intend to cause Pla-Fit Holdings, LLC to make distributions in an amount sufficient to allow us to pay our taxes and operating expenses, including any ordinary course payments due under the tax receivable agreements. However, its ability to make such distributions will be subject to various limitations and restrictions, including contractual restrictions under our senior secured credit facility. If, as a consequence of these various limitations and restrictions, we do not have sufficient funds to pay tax or other liabilities or to fund our operations (including as a result of an acceleration of our obligations under the tax receivable agreements), we may have to borrow funds and thus our liquidity and financial condition could be materially

Table of Contents

adversely affected. To the extent that we are unable to make payments under the tax receivable agreements for any reason, such payments will be deferred and will accrue interest at a rate equal to one-year LIBOR plus basis points until paid.

In certain cases, payments under the tax receivable agreements to our existing owners may be accelerated and/or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the tax receivable agreements.

The tax receivable agreements provide that (i) in the event that we materially breach such tax receivable agreements, (ii) if, at any time, we elect an early termination of the tax receivable agreements, or (iii) upon certain mergers, asset sales, other forms of business combinations or other changes of control, our (or our successor's) obligations under the tax receivable agreements (with respect to all Holdings Units, whether or not they have been sold before or after such transaction) would accelerate and become payable in a lump sum amount equal to the present value of the anticipated future tax benefits calculated based on certain assumptions, including that we would have sufficient taxable income to fully utilize the deductions arising from the tax deductions, tax basis and other tax attributes subject to the tax receivable agreements.

As a result of the foregoing, (i) we could be required to make payments under the tax receivable agreements that are greater than or less than the specified percentage of the actual tax savings we realize in respect of the tax attributes subject to the agreements and (ii) we may be required to make an immediate lump sum payment equal to the present value of the anticipated tax savings, which payment may be made years in advance of the actual realization of such future benefits, if any such benefits are ever realized. In these situations, our obligations under the tax receivable agreements could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. There can be no assurance that we will be able to finance our obligations under the tax receivable agreements in a manner that does not adversely affect our working capital and growth requirements. For example, if we were to elect to terminate the tax receivable agreements immediately after this offering, based on the initial public offering price of \$ per share of our Class A common stock and a discount rate equal to %, we estimate that we would be required to pay \$ in the aggregate under the tax receivable agreements. See "Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Tax receivable agreements."

In certain circumstances, Pla-Fit Holdings, LLC will be required to make distributions to us and the Continuing LLC Owners, and the distributions that Pla-Fit Holdings, LLC will be required to make may be substantial.

Funds used by Pla-Fit Holdings, LLC to satisfy its tax distribution obligations will not be available for reinvestment in our business. Moreover, the tax distributions that Pla-Fit Holdings, LLC will be required to make may be substantial, and will likely exceed (as a percentage of Pla-Fit Holdings, LLC's net income) the overall effective tax rate applicable to a similarly situated corporate taxpayer.

As a result of potential differences in the amount of net taxable income allocable to us and to the Continuing LLC Owners, as well as the use of an assumed tax rate in calculating Pla-Fit Holdings, LLC's distribution obligations, we may receive distributions significantly in excess of our tax liabilities and obligations to make payments under the tax receivable agreements. To the extent, as currently expected, we do not distribute such cash balances as dividends on our Class A common stock and instead, for example, hold such cash balances or lend them to Pla-Fit Holdings, LLC, the Continuing LLC Owners would benefit from any value attributable to such accumulated cash balances as a result of their ownership of Class A common stock following an exchange of their Holdings Units.

We will not be reimbursed for any payments made to the Continuing LLC Owners or the Direct TSG Investors under the tax receivable agreements in the event that any tax benefits are disallowed.

If the IRS or a state or local taxing authority challenges the tax basis adjustments and/or deductions that give rise to payments under the tax receivable agreements and the tax basis adjustments and/or deductions are subsequently disallowed, the recipients of payments under the agreements will not reimburse us for any payments we previously made to them. Any such disallowance would be taken into account in determining future payments under the tax receivable agreements and would, therefore, reduce the amount of any such future payments. Nevertheless, if the claimed tax benefits from the tax basis adjustments and/or deductions are disallowed, our payments under the tax receivable agreements could exceed our actual tax savings, and we may not be able to recoup payments under the tax receivable agreements that were calculated on the assumption that the disallowed tax savings were available.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our financial condition and results of operations.

We will be subject to income taxes in the United States and Canada, and our domestic and foreign tax liabilities will be subject to the allocation of expenses in differing jurisdictions. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of stock-based compensation;
- costs related to intercompany restructurings;
- changes in tax laws, regulations or interpretations thereof; or
- lower than anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated future earnings in jurisdictions where we have higher statutory tax rates.

In addition, we may be subject to audits of our income, sales and other transaction taxes by U.S. federal and state and foreign authorities. Outcomes from these audits could have an adverse effect on our financial condition and results of operations.

Risks related to our Class A common stock and this offering

We are eligible to be treated as an emerging growth company, and we cannot be certain that the reduced disclosure requirements applicable to emerging growth companies will not make our ordinary shares less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including (1) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), (2) reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements and (3) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our Class A common

Table of Contents

stock held by non-affiliates exceeds \$700.0 million as of the end of the second fiscal quarter in any fiscal year before that time or if we have total annual gross revenues of \$1.0 billion or more during any fiscal year before that time, in which case we would no longer be an emerging growth company as of the following fiscal year end, or if we issue more than \$1.0 billion in non-convertible debt during any three-year period before that time we would cease to be an emerging growth company immediately. We cannot predict if investors will find our shares of Class A common stock less attractive because we may rely on these exemptions. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock and our share price may be more volatile.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption related to the adoption of new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

TSG will continue to have significant influence over us after this offering, including control over decisions that require the approval of stockholders, which could limit your ability to influence the outcome of matters submitted to stockholders for a vote.

We are currently controlled, and after this offering is completed will continue to be controlled, by investment funds affiliated with TSG. Upon completion of this offering, investment funds affiliated with TSG will beneficially own % of our outstanding Class A common stock (or % if the underwriters exercise in full their option to purchase additional shares), including shares of Class A common underlying Holdings Units that are exchangeable for Class A common stock. As long as TSG owns or controls at least a majority of our outstanding voting power, it will have the ability to exercise substantial control over all corporate actions requiring stockholder approval, irrespective of how our other stockholders may vote, including the election and removal of directors and the size of our board, any amendment of our certificate of incorporation or bylaws, or the approval of any merger or other significant corporate transaction, including a sale of substantially all of our assets. Even if its ownership falls below 50%, TSG will continue to be able to strongly influence or effectively control our decisions.

Additionally, TSG's interests may not align with the interests of our other stockholders. TSG is in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. TSG 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.

Certain of our directors have relationships with TSG, which may cause conflicts of interest with respect to our business.

Following this offering, four of our seven directors will be affiliated with TSG. Our TSG-affiliated directors have fiduciary duties to us and, in addition, have duties to TSG. As a result, these directors may face real or apparent conflicts of interest with respect to matters affecting both us and TSG, whose interests may be adverse to ours in some circumstances.

Upon the listing of our shares, we will be a "controlled company" under NYSE rules and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements; you will not have the same protections afforded to stockholders of companies that are subject to such requirements.

Because TSG will continue to control a majority of the voting power of our outstanding Class A common stock after completion of this offering, we will be a "controlled company" within the meaning of the NYSE corporate governance standards. Under these rules, a company of which more than 50% of the voting power for the

Table of Contents

election of directors 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 requirements that, within one year of the date of the listing of our Class A common stock:

- we have a board that is composed of a majority of “independent directors,” as defined under rules;
- we have a compensation committee that is composed entirely of independent directors; and
- we have a nominating and corporate governance committee that is composed entirely of independent directors.

Following this offering, we intend to utilize all of these exemptions. Accordingly, for so long as we are a “controlled company,” you will not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements. Our status as a controlled company could make our Class A common stock less attractive to some investors or otherwise harm our stock price.

Provisions of our corporate governance documents could make an acquisition of our Company more difficult and may prevent attempts by our stockholders to replace or remove our current management, even if beneficial to our stockholders.

In addition to TSG’s beneficial ownership of a controlling percentage of our common stock, our certificate of incorporation and bylaws and the Delaware General Corporation Law (the “DGCL”) contain provisions that could make it more difficult for a third party to acquire us, even if doing so might be beneficial to our stockholders. These provisions include:

- the division of our board of directors into three classes and the election of each class for three-year terms;
- advance notice requirements for stockholder proposals and director nominations;
- the ability of the board of directors to fill a vacancy created by the expansion of the board of directors;
- the ability of our board of directors to issue new series of, and designate the terms of, preferred stock, without stockholder approval, which could be used to, among other things, institute a rights plan that would have the effect of significantly diluting the stock ownership of a potential hostile acquirer, likely preventing acquisitions that have not been approved by our board of directors;
- limitations on the ability of stockholders to call special meetings and to take action by written consent following the date that the TSG Funds no longer beneficially own a majority of our common stock; and
- the required approval of holders of at least 75% of the voting power of the outstanding shares of our capital stock to adopt, amend or repeal certain provisions of our certificate of incorporation and bylaws or remove directors for cause, in each case following the date that the TSG Funds no longer beneficially own a majority of our common stock.

In addition, Section 203 of the DGCL may affect the ability of an “interested stockholder” to engage in certain business combinations, for a period of three years following the time that the stockholder becomes an “interested stockholder.” While we have elected in our certificate of incorporation not to be subject to Section 203 of the DGCL, our certificate of incorporation contains provisions that have the same effect as Section 203 of the DGCL, except that they provide that investment funds affiliated with TSG will not be deemed to be an “interested stockholder,” and accordingly will not be subject to such restrictions.

Because our board is responsible for appointing the members of our management team, these provisions could in turn affect any attempt to replace current members of our management team. As a result, you may lose your

ability to sell your stock for a price in excess of the prevailing market price due to these protective measures, and efforts by stockholders to change the direction or management of the Company may be unsuccessful. See “Description of capital stock.”

Our organizational structure, including the tax receivable agreements, confers certain benefits upon the Continuing LLC Owners that will not benefit Class A common stockholders to the same extent as it will benefit the Continuing LLC Owners.

Our organizational structure, including the tax receivable agreements, confers certain benefits upon the Continuing LLC Owners that will not benefit the holders of our Class A common stock to the same extent as it will benefit the Continuing LLC Owners. The tax receivable agreement with the Direct TSG Investors also confers benefits upon the Direct TSG Investors that are not shared with other holders of Class A common stock. See “—Risks related to our organizational structure.” Although we will retain 15% of the amount of tax benefits conferred under the tax receivable agreements, this and other aspects of our organizational structure may adversely impact the future trading market for the Class A common stock.

We have identified a material weakness in our internal control over financial reporting. While we have taken steps to remediate this material weakness and no new material weaknesses have been identified to date, we cannot provide assurance that the measures we have taken to date, or any measures we may take in the future, will be sufficient to remediate the material weakness we have identified or that additional material weaknesses or significant deficiencies will not occur in the future. If our internal control over financial reporting or our disclosure controls and procedures are not effective, we may not be able to accurately report our financial results, prevent fraud or file our periodic reports in a timely manner, which may cause investors to lose confidence in our reported financial information and may lead to a decline in our stock price. In addition, because of our status as an emerging growth company, you will not be able to depend on any attestation from our independent registered public accountants as to our internal control over financial reporting for the foreseeable future.

We are not currently required to comply with the rules of the Securities and Exchange Commission (“SEC”) implementing Section 404 of the Sarbanes-Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with the SEC’s rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which will require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal control over financial reporting. Although we will be required to disclose significant changes made in our internal controls and procedures on a quarterly basis, we will not be required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 until the year following our first annual report required to be filed with the SEC. However, as an emerging growth company, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the later of our second annual report or the first annual report required to be filed with the SEC following the date we are no longer an emerging growth company. At such time, if our independent registered public accounting firm concluded that our internal control over financial reporting was not effective due to the existence of one or more material weaknesses in internal control, it would issue an adverse opinion on the effectiveness of our internal control over financial reporting.

To comply with the requirements of being a public company, we may need to undertake various actions, such as implementing new internal controls and procedures and hiring internal audit or additional accounting staff. Testing and maintaining internal controls can divert our management’s attention from other matters related to the operation of our business. In addition, when evaluating our internal control over financial reporting, we

Table of Contents

may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404.

We recently determined that a material weakness in internal control over financial reporting existed relating to our controls over the authorization of IT hardware purchases and processing of related invoices. We have implemented processes and controls designed to remediate this material weakness by revising existing, and implementing new, procedures and systems regarding (i) authorizing purchases, (ii) receiving invoices, (iii) receiving IT hardware products and (iv) processing invoices. However, we cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to remediate the material weakness we have identified or avoid potential future material weaknesses.

If we identify additional material weaknesses in our internal control over financial reporting or are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of our internal control over financial reporting in future periods, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our Class A common stock could be negatively affected, and we could become subject to investigations by the NYSE, on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

If you purchase shares of Class A common stock in this offering, you will suffer immediate and substantial dilution of your investment.

The initial public offering price of our Class A common stock is substantially higher than the net tangible book deficit per share of our common stock. Therefore, if you purchase shares of our Class A common stock in this offering, you will pay a price per share that substantially exceeds our net tangible book deficit per share after this offering. Based on an assumed initial public offering price of \$ per share, the midpoint of the range set forth on the cover page of this prospectus, you will experience immediate dilution of \$ per share, representing the difference between our pro forma net tangible book deficit per share after giving effect to this offering and the initial public offering price. In addition, purchasers of Class A common stock in this offering will have contributed % of the aggregate price paid by all purchasers of our stock but will own only approximately % of our Class A common stock outstanding after this offering. See “Dilution” for more detail.

Your percentage ownership in us may be diluted by future issuances of capital stock, which could reduce your influence over matters on which stockholders vote.

Pursuant to our certificate of incorporation and bylaws, our board of directors has the authority, without action or vote of our stockholders, to issue all or any part of our authorized but unissued shares of common stock, including shares issuable upon the exercise of options, or shares of our authorized but unissued preferred stock. Issuances of Class A common stock or voting preferred stock would reduce your influence over matters on which our stockholders vote and, in the case of issuances of preferred stock, would likely result in your interest in us being subject to the prior rights of holders of that preferred stock.

An active, liquid trading market for our Class A common stock may not develop, which may limit your ability to sell your shares.

Prior to this offering, there was no public market for our Class A common stock. Although we intend to list shares of our Class A common stock on the NYSE under the symbol “PLNT,” an active trading market for our Class A shares may never develop or be sustained following this offering. The initial public offering price will be determined by negotiations among us, the selling stockholders and the underwriters and may not be indicative of market prices of our Class A common stock that will prevail in the open market after the offering. A public

Table of Contents

trading market having the desirable characteristics of depth, liquidity and orderliness depends upon the existence of willing buyers and sellers at any given time, such existence being dependent upon the individual decisions of buyers and sellers over which neither we nor any market maker has control. The failure of an active and liquid trading market to develop and continue would likely have a material adverse effect on the value of our Class A common stock. The market price of our Class A common stock may decline below the initial public offering price, and you may not be able to sell your shares of our Class A common stock at or above the price you paid in this offering, or at all. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

As a public company, we will become subject to additional laws, regulations and stock exchange listing standards, which will impose additional costs on us and may strain our resources and divert our management's attention.

Prior to this offering, we operated on a private basis. After this offering, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of and other applicable securities laws and regulations. Compliance with these laws and regulations will increase our legal and financial compliance costs and make some activities more difficult, time-consuming or costly. We also expect that being a public company and being subject to new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. We estimate that we will incur between \$ million and \$ million annually in expenses related to incremental insurance costs and other expenses associated with being a public company, including listing, printer, audit and XBRL fees and investor relations costs. However, the incremental costs that we incur as a result of becoming a public company could exceed our estimate. These factors may therefore strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

Our operating results and share price may be volatile, and the market price of our Class A common stock after this offering may drop below the price you pay.

Our quarterly operating results are likely to fluctuate in the future as a publicly traded company. In addition, securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could subject the market price of our shares to wide price fluctuations regardless of our operating performance. We and the underwriters will negotiate to determine the initial public offering price. You may not be able to resell your shares at or above the initial public offering price or at all. Our operating results and the trading price of our shares may fluctuate in response to various factors, including:

- market conditions in the broader stock market;
- actual or anticipated fluctuations in our quarterly financial and operating results;
- introduction of new products or services by us or our competitors;
- issuance of new or changed securities analysts' reports or recommendations;
- results of operations that vary from expectations of securities analysis and investors;
- guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance;
- strategic actions by us or our competitors;

Table of Contents

- announcement by us, our competitors or our vendors of significant contracts or acquisitions;
- sales, or anticipated sales, of large blocks of our stock;
- additions or departures of key personnel;
- regulatory, legal or political developments;
- public response to press releases or other public announcements by us or third parties, including our filings with the SEC;
- litigation and governmental investigations;
- changing economic conditions;
- changes in accounting principles;
- default under agreements governing our indebtedness;
- exchange rate fluctuations; and
- other events or factors, including those from natural disasters, war, acts of terrorism or responses to these events.

These and other factors, many of which are beyond our control, may cause our operating results and the market price and demand for our shares to fluctuate substantially. While we believe that operating results for any particular quarter are not necessarily a meaningful indication of future results, fluctuations in our quarterly operating results could limit or prevent investors from readily selling their shares and may otherwise negatively affect the market price and liquidity of our shares. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business, which could significantly harm our profitability and reputation.

A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our Class A common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our Class A common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our Class A common stock. After this offering, we will have outstanding shares of Class A common stock based on the number of shares outstanding as of , 2015. This includes shares that we are selling in this offering, as well as the shares that the selling stockholders are selling and the shares held by our existing stockholders, which may be resold in the public market immediately, and assumes no exercises of outstanding options. Substantially all of the shares that are not being sold in this offering will be subject to a 180-day lock-up period provided under agreements executed in connection with this offering. These shares will, however, be able to be resold after the expiration of the lock-up agreement as described in the “Shares eligible for future sale” section of this prospectus. We also intend to file a Form S-8 under the Securities Act to register all shares of Class A common stock that we may issue under our equity compensation plans. In addition, TSG has certain demand registration rights that could require us in the future to file registration statements in connection with sales of our stock by TSG. See “Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Registration rights agreement.” Such sales by TSG could be significant. Once we register these shares, they can be freely sold in the

Table of Contents

public market upon issuance, subject to the lock-up agreements described in the “Underwriting” section of this prospectus. As restrictions on resale end, the market price of our stock could decline if the holders of currently restricted shares sell them or are perceived by the market as intending to sell them.

Since we have no current plans to pay regular cash dividends on our Class A common stock following this offering, you may not receive any return on investment unless you sell your Class A common stock for a price greater than that which you paid for it.

Although we have previously declared dividends to our equityholders, we do not anticipate paying any regular cash dividends on our Class A common stock following this offering. Any decision to declare and pay dividends in the future will be made at the discretion of our board and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our board may deem relevant. In addition, our ability to pay dividends is, and may be, limited by covenants of existing and any future outstanding indebtedness we or our subsidiaries incur. Therefore, any return on investment in our Class A common stock is solely dependent upon the appreciation of the price of our Class A common stock on the open market, which may not occur. See “Dividend policy” for more detail.

If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our shares or if our results of operations do not meet their expectations, our share price and trading volume could decline.

The trading market for our shares will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not have any control over these analysts. Securities and industry analysts do not currently, and may never, publish research on our Company. If no securities or industry analysts commence coverage of our Company, the trading price of our shares would likely be negatively impacted. In the event securities or industry analysts initiated coverage, and one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our share price or trading volume to decline. Moreover, if one or more of the analysts who cover us downgrade our stock, or if our results of operations do not meet their expectations, our share price could decline.

A credit ratings downgrade or other negative action by a credit ratings organization could adversely affect the trading price of the shares of our Class A common stock.

Credit rating agencies continually revise their ratings for companies they follow. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. In addition, developments in our business and operations could lead to a ratings downgrade for us or our subsidiaries. Any such fluctuation in the rating of us or our subsidiaries may impact our ability to access debt markets in the future or increase our cost of future debt which could have a material adverse effect on our operations and financial condition, which in return may adversely affect the trading price of shares of our Class A common stock.

Our certificate of incorporation designates courts in the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our certificate of incorporation provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for:

- any derivative action or proceeding brought on our behalf;

Table of Contents

- 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;
- any action asserting a claim against us arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws;
- any action to interpret, apply, enforce or determine the validity of our certificate of incorporation or bylaws; or
- any other action asserting a claim against us that is governed by the internal affairs doctrine (each, a “Covered Proceeding”).

In addition, our certificate of incorporation provides that if any action the subject matter of which is a Covered Proceeding is filed in a court other than the specified Delaware courts without the approval of our board of directors (each, a “Foreign Action”), the claiming party will be deemed to have consented to (i) the personal jurisdiction of the specified Delaware courts in connection with any action brought in any such courts to enforce the exclusive forum provision described above and (ii) having service of process made upon such claiming party in any such enforcement action by service upon such claiming party’s counsel in the Foreign Action as agent for such claiming party.

Our certificate of incorporation also provides that, except to the extent prohibited by the DGCL, in the event that a claiming party initiates, asserts, joins, offers substantial assistance to or has a direct financial interest in any Foreign Action without the prior approval of our board of directors, each such claiming party shall be obligated jointly and severally to reimburse us and any officer, director or other employee made a party to such proceeding for all fees, costs and expenses of every kind and description (including, but not limited to, all attorneys’ fees and other litigation expenses) that the parties may incur in connection with such Foreign Action. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to these provisions. These provisions may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

Cautionary note regarding forward-looking statements

This prospectus contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies and other future conditions. Forward-looking statements can be identified by words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “target,” “potential,” “will,” “would,” “could,” “should,” “continue,” “contemplate” and other similar expressions, although not all forward-looking statements contain these identifying words.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place significant reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. Important factors that could cause actual results and events to differ materially from those indicated in the forward-looking statements include, among others, the following:

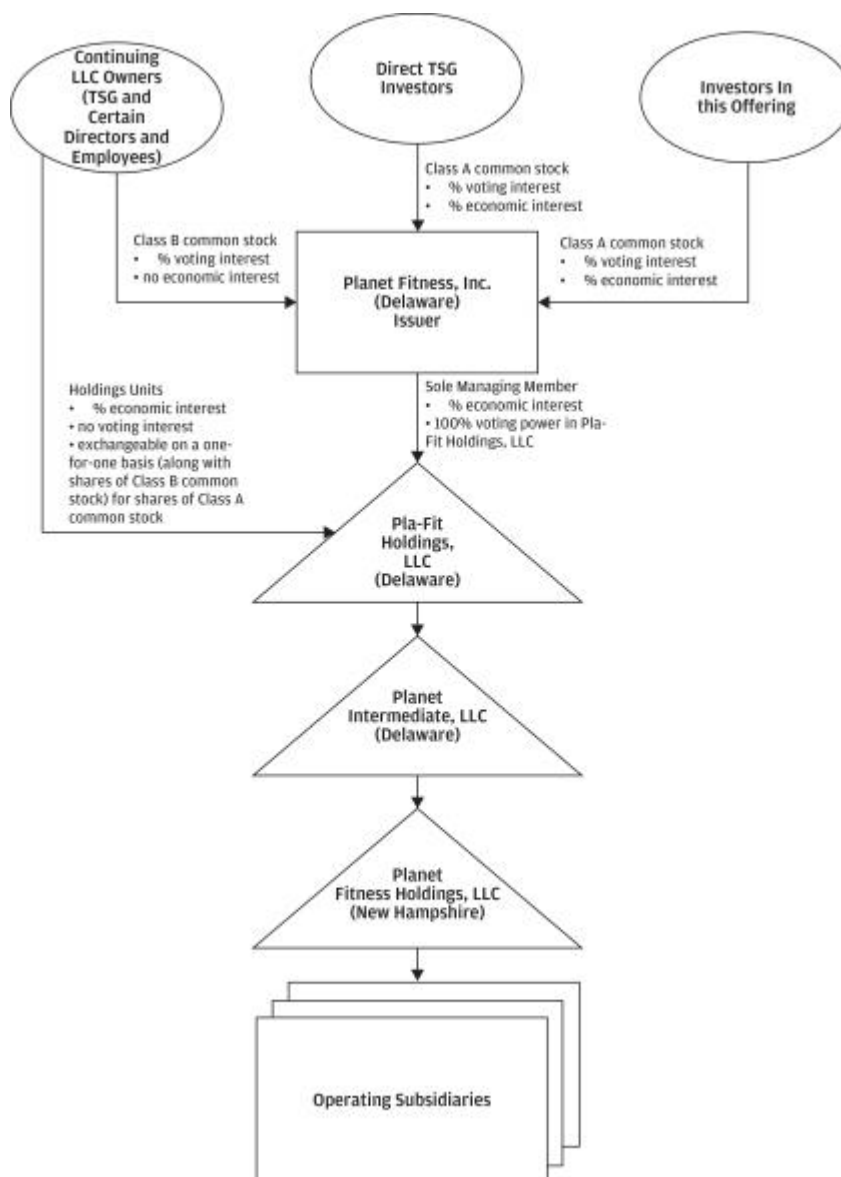
- our dependence on the operational and financial results of, and our relationships with, our franchisees and the success of their new and existing stores;
- our ability to protect our brand and reputation;
- our ability to execute our growth strategy, including through development of new stores by new and existing franchisees;
- our ability to manage our growth and associated strain on our resources;
- our ability to successfully identify and secure appropriate franchisees and sites, and timely develop and expand our operations;
- data security and the vulnerability of our information systems;
- our and our franchisees’ ability to attract and retain members;
- the high level of competition in the health and fitness industry;
- our dependence on a small number of equipment suppliers;
- our ability to maintain sufficient levels of cash flow, or access to capital, to meet growth expectations;
- our dependence on key executive management;
- our ability to identify qualified individuals for our workforce;
- our ability to adequately protect our intellectual property;
- risks related to franchisees generally;
- our business model being susceptible to litigation;
- the substantial indebtedness of our subsidiary, Planet Fitness Holdings, LLC;
- TSG’s significant influence over us and our status as a “controlled company” under the rules of the NYSE;
- risks relating to our corporate structure and tax receivable agreements; and
- the other factors identified under the heading “Risk factors” elsewhere in this prospectus.

The forward-looking statements in this prospectus represent our views as of the date of this prospectus. We undertake no obligation to publicly update any forward-looking statements whether as a result of new information, future developments or otherwise.

The recapitalization transactions

Organizational structure following this offering

The diagram below depicts our organizational structure immediately following this offering, after giving effect to the recapitalization transactions, assuming no exercise by the underwriters of their option to purchase additional shares of Class A common stock.



Immediately following this offering, after giving effect to the recapitalization transactions, Planet Fitness, Inc. will be a holding company, and its sole material asset will be an equity interest, indirectly held through its wholly owned subsidiaries, in Pla-Fit Holdings, LLC. As the sole managing member of Pla-Fit Holdings, LLC, Planet Fitness, Inc. will operate and control all of the business and affairs of Pla-Fit Holdings, LLC and, through Pla-Fit Holdings, LLC and its subsidiaries, conduct our business. Accordingly, although we will have a minority economic interest in Pla-Fit Holdings, LLC, we will have the sole voting interest in, and control the management of, Pla-Fit Holdings, LLC. As a result, Planet Fitness, Inc. will consolidate Pla-Fit Holdings, LLC in its consolidated

Table of Contents

financial statements and will report a noncontrolling interest related to the Holdings Units held by the Continuing LLC Owners in our consolidated financial statements. Planet Fitness, Inc. will have a board of directors and executive officers but no employees. The functions of all our employees are expected to reside at Pla-Fit Holdings, LLC and its subsidiaries.

Our organizational structure will allow the Continuing LLC Owners to retain their equity ownership in Pla-Fit Holdings, LLC, an entity that is classified as a partnership for U.S. federal income tax purposes, in the form of Holdings Units. Investors participating in this offering will, by contrast, hold equity in Planet Fitness, Inc., a Delaware corporation that is a domestic corporation for U.S. federal income tax purposes, in the form of shares of our Class A common stock, along with the Direct TSG Investors. We believe that the Continuing LLC Owners generally find it advantageous to hold their equity interests in an entity that is not taxable as a corporation for U.S. federal income tax purposes. The Continuing LLC Owners and Planet Fitness, Inc. will incur U.S. federal, state, provincial and local income taxes on their allocable share of any taxable income of Pla-Fit Holdings, LLC (as calculated pursuant to the New LLC Agreement as it will be in effect at the time of this offering). We do not believe that our organizational structure gives rise to any significant benefit or detriment to our business or operations.

The recapitalization transactions

We refer to the Merger, Reclassification and entry into the exchange agreement, each as described below, as the “recapitalization transactions.” The Merger will be effected pursuant to a merger agreement by and among Planet Fitness, Inc. and Planet Fitness Holdings, L.P. and the recapitalization transactions will be effected pursuant to a recapitalization agreement by and among Planet Fitness, Inc., Pla-Fit Holdings, LLC, the Continuing LLC Owners and the Direct TSG Investors.

Merger

Prior to this offering, the Direct TSG Investors held interests in Planet Fitness Holdings, L.P., a predecessor entity to Planet Fitness, Inc. that holds indirect interests in Pla-Fit Holdings, LLC. Planet Fitness Holdings, L.P. was formed in October 2014 and has no material assets, liabilities or operations, other than as a holding company owning indirect interests in Pla-Fit Holdings, LLC. The Direct TSG Investors consist of investment funds affiliated with TSG. Pursuant to a merger agreement dated , 2015, Planet Fitness Holdings, L.P. will merge with and into Planet Fitness, Inc., and the interests in Planet Fitness Holdings, L.P. held by the Direct TSG Investors will be converted into Class A shares of common stock of Planet Fitness, Inc. We refer to this as the “Merger.” Shares of Class A common stock will have both voting and economic rights in Planet Fitness, Inc. See “Description of capital stock.”

The Merger will be effected prior to the time our Class A common stock is registered under the Exchange Act and prior to the completion of this offering.

Reclassification

The equity interests of Pla-Fit Holdings, LLC currently consist of three different classes of limited liability company units (Class M, Class T and Class O). Prior to the completion of this offering, the limited liability company agreement of Pla-Fit Holdings, LLC will be amended and restated to, among other things, modify its capital structure to create a single new class of units, the Holdings Units. We refer to this capital structure modification as the “Reclassification.”

The Direct TSG Investors’ indirect interest in Pla-Fit Holdings, LLC is currently held through wholly owned subsidiaries of Planet Fitness Holdings, L.P. Such wholly owned subsidiaries have no material assets, liabilities or operations other than as holding companies owning direct interests in Pla-Fit Holdings, LLC. As a result,

Table of Contents

following the Merger, in which Planet Fitness Holdings, L.P. merges with and into Planet Fitness, Inc., the Direct TSG Investors' indirect interests in Pla-Fit Holdings, LLC will be held through wholly owned subsidiaries of Planet Fitness, Inc. Therefore, the Holding Units to be received in the Reclassification will be allocated to: (1) the Continuing LLC Owners based on their existing interest in Pla-Fit Holdings, LLC; and (2) wholly owned subsidiaries of Planet Fitness, Inc. to the extent of the Direct TSG Investors' indirect interest in Pla-Fit Holdings, LLC. The number of Holdings Units to be allocated to wholly owned subsidiaries of Planet Fitness, Inc. in the Reclassification will be equal to the number of shares of Class A common stock that the Direct TSG Investors receive in the Merger (on a one-for-one basis).

The Reclassification will be effected prior to the time our Class A common stock is registered under the Exchange Act and prior to the completion of this offering.

Following the Merger and the Reclassification, Planet Fitness, Inc. will issue to Continuing LLC Owners one share of Class B common stock for each Holdings Unit they hold. The shares of Class B common stock have no rights to dividends or distributions, whether in cash or stock, but entitle the holder to one vote per share on matters presented to stockholders of Planet Fitness, Inc. Holdings Units will be held by the Continuing LLC Owners and by Planet Fitness, Inc., which will hold its interests indirectly through wholly owned subsidiaries. The Continuing LLC Owners consist of investment funds affiliated with TSG and certain employees and directors. All of the shares of Class A common stock that will be outstanding following the Merger and the Reclassification but prior to completion of this offering will be held by the Direct TSG Investors.

Pursuant to the New LLC Agreement, Planet Fitness, Inc. will be designated as the sole managing member of Pla-Fit Holdings, LLC. Accordingly, Planet Fitness, Inc. will have the right to determine when distributions will be made by Pla-Fit Holdings, LLC to its members and the amount of any such distributions (subject to the requirements with respect to the tax distributions described below). If Planet Fitness, Inc. authorizes a distribution by Pla-Fit Holdings, LLC, the distribution will be made to the members of Pla-Fit Holdings, LLC pro rata in accordance with the percentages of their respective Holdings Units.

The holders of Holdings Units will incur U.S. federal, state and local income taxes on their allocable share of any taxable income of Pla-Fit Holdings, LLC (as calculated pursuant to the New LLC Agreement). Net profits and net losses of Pla-Fit Holdings, LLC will generally be allocated to its members pursuant to the New LLC Agreement pro rata in accordance with the percentages of their respective Holdings Units. The New LLC Agreement will provide for cash distributions to the holders of Holdings Units for purposes of funding their tax obligations in respect of the income of Pla-Fit Holdings, LLC that is allocated to them, to the extent other distributions from Pla-Fit Holdings, LLC for the relevant year have been insufficient to cover such liability. Generally, these tax distributions will be computed based on the taxable income of Pla-Fit Holdings, LLC allocable to the holders of Holdings Units multiplied by an assumed, combined tax rate equal to the maximum rate applicable to an individual or corporation resident in San Francisco, California (taking into account the non-deductibility of certain expenses and the character of our income). See "Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Pla-Fit Holdings, LLC amended and restated limited liability company agreement."

Exchange agreement

Following the Merger and the Reclassification, we and the Continuing LLC Owners will enter into an exchange agreement at the time of this offering under which Continuing LLC Owners (or certain permitted transferees thereof) will have the right, from time to time and subject to the terms of the exchange agreement, to exchange their Holdings Units, along with a corresponding number of shares of our Class B common stock, for shares of our Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends, reclassifications and similar transactions. As a Continuing LLC Owner exchanges Holdings Units, along with a corresponding number of shares of our Class B common stock, for shares of Class A

Table of Contents

common stock, the number of Holdings Units held by Planet Fitness, Inc. will be correspondingly increased as it acquires the exchanged Holdings Units and cancels a corresponding number of shares of Class B common stock. See “Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Exchange agreement.”

Offering transactions

In connection with the completion of this offering, in order to facilitate the disposition of equity interests in Pla-Fit Holdings, LLC held by Continuing LLC Owners affiliated with TSG, we intend to use the net proceeds we receive to purchase, through wholly owned subsidiaries, issued and outstanding Holdings Units from these Continuing LLC Owners that they will have received in the Reclassification. Assuming that the shares of Class A common stock to be sold in this offering are sold at \$ per share, which is the midpoint of the price range on the front cover of this prospectus, at the time of this offering, we will purchase issued and outstanding Holdings Units from these Continuing LLC Owners for an aggregate of \$ million (or \$ million Holdings Units for an aggregate of \$ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock). As such, we will acquire a minority equity percentage of the Holdings Units held by the Continuing LLC Owners issued to them in the Reclassification, which is in addition to the Holdings Units that we acquire in the Reclassification on a one-for-one basis in relation to the number of shares of Class A common stock issued to the Direct TSG Investors in the Merger. Accordingly, following this offering, we will hold a number of Holdings Units that is equal to the number of shares of Class A common stock that it has issued to the Direct TSG Investors and investors in this offering. The Direct TSG Investors, who will not have received Holdings Units in the Reclassification but rather will have received shares of Class A common stock in the Merger, will sell a portion of those shares of Class A common stock in this offering as selling stockholders. Pla-Fit Holdings, LLC will bear or reimburse Planet Fitness, Inc. for all of the expenses of this offering.

As a result of the recapitalization transactions and the offering transactions, upon completion of this offering:

- the investors in this offering will collectively own shares of our Class A common stock (or shares of Class A common stock if the underwriters exercise in full their option to purchase additional shares of Class A common stock), representing % of the voting power in Planet Fitness, Inc. (or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock) and, through Planet Fitness, Inc., % of the economic interest in Pla-Fit Holdings, LLC (or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock);
- The Direct TSG Investors will collectively own shares of our Class A common stock (or shares of Class A common stock if the underwriters exercise in full their option to purchase additional shares of Class A common stock), representing % of the voting power in Planet Fitness, Inc. (or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock) and, through Planet Fitness, Inc., % of the economic interest in Pla-Fit Holdings, LLC (or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock); and
- the Continuing LLC Owners will collectively hold Holdings Units, representing % of the economic interest in Pla-Fit Holdings, LLC (or % if the underwriters exercise in full their over-allotment option to purchase additional shares of Class A common stock) and shares of our Class B common stock (or shares of our Class B common stock if the underwriters exercise in full their option to purchase additional shares of Class A common stock), representing % of the voting power in Planet Fitness, Inc. (or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock).

Tax receivable agreements

Our acquisition of Holdings Units in connection with this offering and future and certain past exchanges of Holdings Units for shares of our Class A common stock (or cash) are expected to produce and have produced favorable tax attributes for us. Upon the completion of this offering, we will be a party to two tax receivable agreements. Under the first of those agreements, we generally will be required to pay to our Continuing LLC Owners 85% of the applicable cash savings, if any, in U.S. federal and state income tax that we are deemed to realize as a result of certain tax attributes of their Holdings Units sold to us (or exchanged in a taxable sale) and that are created as a result of (i) the sales of their Holdings Units for shares of our Class A common stock and (ii) tax benefits attributable to payments made under the tax receivable agreement (including imputed interest). Under the second tax receivable agreement, we generally will be required to pay to the Direct TSG Investors 85% of the amount of cash savings, if any, that we are deemed to realize as a result of the tax attributes of the Holdings Units that we hold in respect of the Direct TSG Investors' interest in us, which resulted from the Direct TSG Investors' purchase of interests in the 2012 Acquisition, and certain other tax benefits. Under both agreements, we generally will retain the benefit of the remaining 15% of the applicable tax savings. See "Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Tax receivable agreements."

Use of proceeds

We estimate that the net proceeds to us from our issuance and sale of _____ shares of Class A common stock in this offering will be approximately \$ _____ million, after deducting underwriting discounts and commissions and estimated offering expenses (or approximately \$ _____ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock). This estimate assumes an initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus.

A \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____, based upon the midpoint of the estimated price range set forth on the cover of this prospectus, would increase (decrease) the net proceeds to us from this offering by \$ _____ million (or approximately \$ _____ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock), assuming the number of shares we offer, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses.

We intend to use the net proceeds of this offering to purchase, through wholly owned subsidiaries, _____ issued and outstanding Holdings Units from certain Continuing LLC Owners consisting of investment funds affiliated with TSG that they will have received in the Reclassification (or _____ Holdings Units if the underwriters exercise in full their option to purchase additional shares of Class A common stock), at a purchase price per unit equal to the initial public offering price per share of Class A common stock, less underwriting discounts and commissions. As such, we will acquire a minority equity percentage of the Holdings Units held by the Continuing LLC Owners issued to them in the Reclassification, which is in addition to the Holdings Units that we acquire in the Reclassification on a one-for-one basis in relation to the number of shares of Class A common stock issued to the Direct TSG Investors in the Merger. Pla-Fit Holdings, LLC will not receive any proceeds that we use to purchase Holdings Units from Continuing LLC Owners.

The Direct TSG Investors, who will not have received Holdings Units in the Reclassification but rather will have received shares of Class A common stock in the Merger, will sell a portion of those shares of Class A common stock in this offering as selling stockholders. We will not receive any proceeds from the sale of shares by the selling stockholders. After deducting underwriting discounts and commissions, the selling stockholders will receive approximately \$ _____ of proceeds from this offering.

Pla-Fit Holdings, LLC will bear or reimburse Planet Fitness, Inc. and the selling stockholders for all of the expenses incurred in connection with this offering.

The board of managers of Pla-Fit Holdings, LLC paid cash distributions of \$140.0 million and \$173.9 million to holders of Class T Units and Class O Units on March 31, 2015 and March 31, 2014, respectively. Under certain interpretations of the SEC, certain dividends preceding an initial public offering are deemed to be in contemplation of the offering with the intention of repayment out of offering proceeds to the extent that the dividends exceeded earnings during such period. See "Unaudited pro forma net income per share information," included in our historical consolidated financial statements for the year ended December 31, 2014 and the unaudited condensed consolidated financial statements for the quarter ended March 31, 2015 found elsewhere in this prospectus, for pro forma earnings per share information.

Dividend policy

Our board of directors does not currently intend to pay dividends on our Class A common stock following completion of this offering. However, we expect to re-evaluate our dividend policy on a regular basis following the offering and may, subject to compliance with the covenants contained in our senior secured credit facility and other considerations, determine to pay dividends in the future. Holders of our Class B common stock are not entitled to participate in any dividends declared by our board of directors. The declaration, amount and payment of any future dividends on shares of our Class A common stock will be at the sole discretion of our board of directors, which may take into account general economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions, the implications of the payment of dividends by us to our stockholders or by our subsidiaries to us, and any other factors that our board of directors may deem relevant. See “Management’s discussion and analysis of financial condition and results of operations—Liquidity and capital resources” and “Description of indebtedness” included elsewhere in this prospectus regarding restrictions on our ability to pay dividends.

On March 31, 2014, the board of managers of Pla-Fit Holdings, LLC paid a cash distribution of \$173.9 million to holders of its Class T Units and Class O Units.

On March 31, 2015, the board of managers of Pla-Fit Holdings, LLC paid a cash distribution of \$140.0 million to holders of its Class T Units and Class O Units.

Capitalization

The following table sets forth the cash, cash equivalents and capitalization as of March 31, 2015 of Pla-Fit Holdings, LLC on a historical basis and of Planet Fitness, Inc. on a pro forma basis to reflect:

- The recapitalization transactions;
- the issuance of shares of Class A common stock by us in this offering and the receipt of approximately \$ million in net proceeds from the sale of such shares, assuming an initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses; and
- the application of the estimated net proceeds from the offering as described in “Use of proceeds.”

You should read this information together with our audited and unaudited financial statements and related notes appearing elsewhere in this prospectus and the information set forth under the headings “Unaudited pro forma consolidated financial information,” “Selected consolidated financial and other data” and “Management’s discussion and analysis of financial condition and results of operations.”

(dollars in thousands)	As of March 31, 2015	
	Historical Pla-Fit Holdings, LLC	Pro forma Planet Fitness, Inc. ⁽¹⁾
Cash and cash equivalents	\$ 27,532	\$
Long-term debt, including current portion:		
Senior secured credit facility	506,100	
Capital leases	283	
Total debt ⁽²⁾	506,383	
Members’/stockholders’ equity:		
Members’ equity	7,397	
Class A common stock, par value \$0.0001 per share; no shares authorized and no shares issued and outstanding on a historical basis, shares authorized and shares issued and outstanding on a pro forma basis	—	
Class B common stock, par value \$0.0001 per share; no shares authorized and no shares issued and outstanding on a historical basis, shares authorized and shares issued and outstanding on a pro forma basis	—	
Additional paid-in capital		
Accumulated deficit		
Accumulated other comprehensive loss	(1,314)	
Members’/stockholders’ equity attributable to Planet Fitness, Inc.	6,083	
Noncontrolling interest	6,342	
Total members’/stockholders’ equity	12,425	
Total capitalization	\$ 518,808	\$

(1) Pro forma reflects the application of the estimated proceeds of the offering as described in “Use of proceeds.”

(2) Total debt consists of borrowings under our senior secured credit facility as described in “Description of certain indebtedness” and capital leases.

A \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share, the midpoint of the price range set forth on the cover of this prospectus, would decrease (increase) the pro forma amount of each of cash and cash equivalents, noncontrolling interest and total stockholders’ equity by approximately \$ million after deducting underwriting discounts and commissions and estimated offering expenses.

Dilution

The Continuing LLC Owners will continue to own their Holdings Units in Pla-Fit Holdings, LLC immediately after the recapitalization transactions and the offering. Because the Continuing LLC Owners will not own any Class A common stock or have any right to receive distributions from Planet Fitness, Inc., we have presented dilution in pro forma net tangible book value per share after this offering assuming that all of the holders of Holdings Units (other than Planet Fitness, Inc.) had their Holdings Units exchanged for newly issued shares of Class A common stock on a one-for-one basis and the cancellation for no consideration of all of their shares of Class B common stock (which are not entitled to receive distributions or dividends, whether cash or stock from Planet Fitness, Inc.) in order to more meaningfully present the dilutive impact on the investors in this offering. We refer to the assumed exchange of all Holdings Units for shares of Class A common stock as described in the previous sentence as the “Assumed Exchange.”

If you invest in our Class A common stock in this offering, your interest will be diluted to the extent of the difference between the initial public offering price per share of our Class A common stock in this offering and the pro forma net tangible book value per share of our Class A common stock after this offering. Dilution results from the fact that the initial public offering price per share of Class A common stock is substantially in excess of the net tangible book deficit per share of our Class A common stock attributable to the existing stockholders for our presently outstanding shares of Class A common stock. Our net tangible book deficit per share represents the amount of our total tangible assets (total assets less intangible assets) less total liabilities, divided by the number of shares of Class A common stock issued and outstanding.

As of March 31, 2015, we had a historical net tangible book deficit of \$454.3 million, or \$ _____ per share of Class A common stock, based on _____ shares of our Class A common stock outstanding as of _____, 2015. Dilution is calculated by subtracting net tangible book deficit per share of our Class A common stock from the assumed initial public offering price per share of our Class A common stock.

Investors participating in this offering will incur immediate and substantial dilution. Without taking into account any other changes in such net tangible book deficit after March 31, 2015, after giving effect to the recapitalization transactions, the Assumed Exchange and the sale of shares of our Class A common stock in this offering assuming an initial public offering price of \$ _____ per share (the midpoint of the offering range shown on the cover of this prospectus), less the underwriting discounts and commissions and estimated offering expenses and the application of such proceeds, our pro forma net tangible book deficit as of March 31, 2015, would have been approximately \$ _____ million, or \$ _____ per share of Class A common stock. This amount represents an immediate decrease in net tangible book deficit of \$ _____ per share of our Class A common stock to the existing stockholders and immediate dilution in net tangible book deficit of \$ _____ per share of our Class A common stock to investors purchasing shares of our Class A common stock in this offering. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share	\$ _____
Net tangible book deficit per share as of March 31, 2015, before giving effect to this offering ⁽¹⁾	\$ _____
Decrease in net tangible book deficit per share attributable to investors purchasing shares in this offering	_____
Pro forma net tangible book value per share, after giving effect to this offering ⁽¹⁾	_____
Dilution in net tangible book deficit per share to investors in this offering	\$ _____

(1) Gives pro forma effect to the recapitalization transactions and the Assumed Exchange.

Table of Contents

If the underwriters exercise their option in full to purchase additional shares, the pro forma net tangible book deficit per share of our Class A common stock after giving effect to this offering, the recapitalization transactions and the Assumed Exchange would be \$ per share of our Class A common stock. This represents a decrease in pro forma net tangible book deficit of \$ per share of our Class A common stock to existing stockholders and dilution in pro forma net tangible book deficit of \$ per share of our Class A common stock to new investors.

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share would decrease (increase) the pro forma net tangible book deficit per share of our Class A common stock after giving effect to this offering, the recapitalization transactions and the Assumed Exchange by \$, or by \$ per share of our Class A common stock, assuming no change to the number of shares of our Class A common stock offered by us as set forth on the front cover page of this prospectus and after deducting the estimated underwriting discounts and expenses.

The following table summarizes, as of March 31, 2015, on the pro forma basis described above, the total number of shares of our Class A common stock purchased from us, the total consideration paid to us, and the average price per share of our Class A common stock paid by purchasers of such shares and by new investors purchasing shares of our Class A common stock in this offering.

	Shares purchased		Total consideration		Average price per share
	Number	Percent	Amount	Percent	
Existing stockholders		%	\$	%	\$
New investors					
Total		100%	\$	100%	\$

The number of shares of Class A common stock to be outstanding after this offering is based on shares of Class A common stock outstanding as of , 2015 and excludes shares of Class A common stock reserved for future issuance under our equity incentive plans as of , 2015.

Unaudited pro forma consolidated financial information

The following unaudited pro forma information reflects the impact of this offering, after giving effect to the recapitalization transactions discussed in the section of this prospectus entitled “The recapitalization transactions.” The unaudited pro forma consolidated statements of operations for the year ended December 31, 2014 and the quarter ended March 31, 2015 give effect to the recapitalization transactions and this offering as if they had occurred on January 1, 2014. The unaudited pro forma consolidated balance sheet as of March 31, 2015 gives effect to the recapitalization transactions and this offering as if they had occurred on March 31, 2015.

As a result of the recapitalization transactions, the operating agreement of Pla-Fit Holdings, LLC will be amended and restated to, among other things, designate Planet Fitness, Inc. as the sole managing member of Pla-Fit Holdings, LLC. As sole managing member, Planet Fitness, Inc. will exclusively operate and control the business and affairs of Pla-Fit Holdings, LLC. This Amended and Restated Limited Liability Company Agreement of Pla-Fit Holdings, LLC is referred to as the New LLC Agreement. As a result of the recapitalization transactions and the New LLC Agreement, we will consolidate Pla-Fit Holdings, LLC, and Pla-Fit Holdings, LLC will be considered our predecessor for accounting purposes. The unaudited pro forma consolidated financial information gives effect to the consolidation of Pla-Fit Holdings, LLC with Planet Fitness, Inc. resulting from the recapitalization transactions and the New LLC Agreement.

We derived the unaudited pro forma consolidated financial information set forth below by applying the pro forma adjustments to the audited and unaudited historical consolidated financial statements of Pla-Fit Holdings, LLC and subsidiaries included elsewhere in this prospectus. The unaudited pro forma consolidated financial information reflects pro forma adjustments that are described in the accompanying notes and are based on available information and certain assumptions we believe are reasonable but are subject to change.

The recapitalization transactions pro forma adjustments give effect to the following transactions:

- the conversion of interests held by the Direct TSG Investors into shares of Class A common stock of Planet Fitness, Inc. in connection with the Merger;
- the reclassification of the Class M, Class T and Class O units of Pla-Fit Holdings, LLC into the Holdings Units; and
- the issuance of Class B shares of common stock to the Continuing LLC Owners.

The offering pro forma adjustments give effect to the following effects of this offering:

- the issuance of shares of our Class A common stock to the purchasers in this offering in exchange for net proceeds of approximately \$ million, assuming that the shares are offered at \$ per share (the midpoint of the price range listed on the cover page of this prospectus), after deducting underwriting discounts and commissions and offering expenses;
- the use of proceeds received in this offering to purchase issued and outstanding Holdings Units from certain Continuing LLC Owners;
- the effects of (1) the tax receivable agreement to be entered into with the Continuing LLC Owners that will provide for the payment by us to the Continuing LLC Owners of 85% of the amount of the cash savings, if any, in U.S. federal and state income tax that we are deemed to realize as a result of certain tax attributes of their Holdings Units sold to us (or exchanged in a taxable sale) and that are created as a result of (i) the sales of their Holdings Units for shares of our Class A common stock and (ii) tax benefits attributable to payments made under the tax receivable agreement (including imputed interest), and (2) the tax receivable agreement to be entered into with the Direct TSG Investors that will provide for the payment by us to the Direct TSG

Table of Contents

Investors of 85% of the amount of the cash savings, if any, that we are deemed to realize as a result of the tax attributes of the Holdings Units that we hold in respect of the Direct TSG Investors' interest in us, and certain other tax benefits;

- the recording of cash-based and equity-based compensation expense related to our 2013 Performance Incentive Plan and the Class M units of Pla-Fit Holdings, LLC, respectively, and the termination of the management services agreement with TSG; and
- a provision for income taxes and deferred taxes reflecting Planet Fitness, Inc. as a taxable corporation at an effective rate of % for the year ended December 31, 2014 and % for the quarter ended March 31, 2015.

The unaudited pro forma consolidated financial information presented assumes no exercise by the underwriters of their option to purchase additional shares of Class A common stock from us.

The unaudited pro forma consolidated financial information is presented for informational purposes only and should not be considered indicative of the actual financial position or results of operations that would have been achieved had the recapitalization transactions and this offering been consummated on the dates indicated, and does not purport to be indicative of the financial condition or results of operations as of any future date or for any future period. You should read our unaudited pro forma consolidated financial information and the accompanying notes in conjunction with the historical consolidated financial statements and related notes included elsewhere in this prospectus and the financial and other information appearing elsewhere in this prospectus, including information contained in the sections entitled "Risk factors," "Selected consolidated financial and operating data," "Use of proceeds," "Capitalization" and "Management's discussion and analysis of financial condition and results of operations."

The historical consolidated financial position and results of operations of Planet Fitness, Inc. have not been presented in the accompanying unaudited pro forma consolidated financial information as Planet Fitness, Inc. is a newly incorporated entity as of March 2015, has had no business transactions or activities to date, and had no material assets, liabilities, revenues or expenses during the periods presented in this section. The historical financial statements of Planet Fitness Holdings, L.P. have not been presented in the accompanying unaudited pro forma consolidated financial information as Planet Fitness Holdings, L.P. was formed in October 2014 and has no material assets, liabilities or operations, other than as a holding company owning indirect interests in Pla-Fit Holdings, LLC. The recapitalization transactions and designation of Planet Fitness, Inc. as the sole managing member of Pla-Fit Holdings, LLC will be accounted for as the combination of entities under common control and Pla-Fit Holdings, LLC will be considered our predecessor for accounting purposes. This will result in the presentation of Pla-Fit Holdings, LLC's historical financial statements as the historical financial statements of Planet Fitness, Inc. and Planet Fitness, Inc. will account for Pla-Fit Holdings, LLC's assets and liabilities at their historical carrying amounts.

Table of Contents

Planet Fitness, Inc.
Unaudited pro forma consolidated balance sheet
as of March 31, 2015

(in millions)	Historical Pla-Fit Holdings, LLC	Recapitalization transactions adjustments	As adjusted before offering	Offering adjustments	Pro forma Planet Fitness, Inc.
Assets					
Cash and cash equivalents	\$ 27.5	\$	\$	\$ (7)	\$
Accounts receivable, net	9.5				
Due from related parties, current	1.1				
Inventory	2.0				
Restricted assets—NAF	0.4				
Other current assets	7.8				
Total current assets	48.3				
Property and equipment, net	51.6				
Intangible assets, net	289.8				
Goodwill	177.0				
Deferred tax assets	—			)(4)	
Other assets, net	12.9			(1)	
Total assets	<u>\$ 579.6</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Liabilities and Members'/Stockholders' Equity					
Current maturities of long-term debt	\$ 5.1	\$	\$	\$	\$
Accounts payable	10.5				
Member distribution payable	7.5				
Accrued expenses	7.6				
Current maturities of obligations under capital leases	0.3				
Equipment deposits	6.4				
Restricted liabilities—NAF	0.4				
Deferred revenue, current	13.6				
Other current liabilities	0.2				
Total current liabilities	51.6				
Long-term debt, net of current maturities	501.0				
Obligations under capital leases, net of current portion	—				
Deferred rent, net of current portion	4.0				
Deferred revenue, net of current portion	9.4				
Deferred tax liabilities—non current	0.6	(1)			
Other liabilities	0.6			(1)	
Total noncurrent liabilities	515.6				
Commitments and contingencies					
Members' equity	7.4	(2)			
Class A common stock	—	(2)		(5)	
Class B common stock	—	(3)			
Additional paid-in-capital	—	(2)		)(5)	
Accumulated other comprehensive loss	(1.3)			(4)	
Retained earnings	—			)(6)	
Members'/ stockholders' equity attributable to Planet Fitness, Inc.	6.1	(2)		(3)(5)	
Noncontrolling interests	6.3	(3)			
Total equity	12.4				
Total liabilities and members'/stockholders' equity	<u>\$ 579.6</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Notes to unaudited pro forma consolidated balance sheet as of March 31, 2015

- (1) Planet Fitness, Inc. is subject to U.S. federal and state income taxes and will file consolidated income tax returns for U.S. federal and certain state jurisdictions. These adjustments reflect the recognition of deferred taxes resulting from our status as a C corporation. Temporary differences in the book basis as compared to the tax basis of our investment in Pla-Fit Holdings, LLC resulted in an unaudited pro forma deferred tax liability of \$ million as of March 31, 2015.

In addition, upon the completion of this offering, we will be a party to two tax receivable agreements. Under the first of those agreements, we generally will be required to pay to our Continuing LLC Owners 85% of the applicable cash savings, if any, in U.S. federal and state income tax that we are deemed to realize in certain circumstances as a result of certain tax attributes of their Holdings Units sold to us (or exchanged in a taxable sale) and that are created as a result of (i) the sales of their Holdings Units for shares of our Class A common stock, and (ii) tax benefits attributable to payments made under this tax receivable agreement. Under the second tax receivable agreement, we generally will be required to pay to the Direct TSG Investors 85% of the amount of cash savings, if any, that we are deemed to realize as a result of the tax attributes of the Holdings Units that we hold in respect of the Direct TSG Investors' interest in us, which resulted from the Direct TSG Investors' purchase of interests in the 2012 Acquisition, and certain other tax benefits. Under both agreements, we generally will retain the benefit of the remaining 15% of the applicable tax savings. See "Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Tax receivable agreements."

Also, pursuant to the exchange agreement, to the extent an exchange results in Pla-Fit Holdings, LLC incurring a current tax liability relating to the New Hampshire business profits tax, the Continuing LLC Owners have agreed that they will contribute to Pla-Fit Holdings, LLC an amount sufficient to pay such tax liability (up to 3% of the value received upon exchange). If and when we subsequently realize a related tax benefit, Pla-Fit Holdings, LLC will distribute the amount of any such tax benefit to the relevant Continuing LLC Owner in respect of its contribution. See "Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Exchange agreement."

The deferred tax asset of \$ million related to, and the \$ million in amounts payable under, the tax receivable agreements and the exchange agreement are assuming: (1) only exchanges associated with this offering, (2) a share price equal to \$ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), (3) a constant federal income tax rate of % and a New Hampshire tax rate of %, (4) no material changes in tax law, (5) the ability to utilize tax attributes and (6) future tax receivable agreement and exchange agreement payments.

We anticipate that we will account for the income tax effects resulting from future taxable exchanges of Holdings Units by Continuing LLC Owners for shares of our Class A common stock or cash by recognizing an increase in our deferred tax assets, based on enacted tax rates at the date of each exchange. Further, we will evaluate the likelihood that we will realize the benefit represented by the deferred tax asset, and, to the extent that we estimate that it is more likely than not that we will not realize the benefit, we will reduce the carrying amount of the deferred tax asset with a valuation allowance.

The amounts to be recorded for both the deferred tax assets and the liability for our obligations under the tax receivable agreements and the exchange agreement have been estimated. All of the effects of changes in any of our estimates after the date of the purchase will be included in net income. Similarly, the effect of subsequent changes in the enacted tax rates will be included in net income.

- (2) As a C corporation, we will no longer record members' equity in the consolidated balance sheet. To reflect the C corporation structure of our equity, we will separately present the value of our common stock, additional paid-in capital and retained earnings. The portion of the reclassification of members' equity associated with additional paid-in capital was estimated as the remainder of capital contributions we have received less the \$ attributed to the par value of the common stock and the \$ million allocated to the noncontrolling interest.
- (3) As a result of the recapitalization transactions, the limited liability company agreement of Pla-Fit Holdings, LLC will be amended and restated to, among other things, designate Planet Fitness, Inc. as the sole managing member of Pla-Fit Holdings, LLC. As sole managing member, Planet Fitness, Inc. will exclusively operate and control the business and

Table of Contents

affairs of Pla-Fit Holdings, LLC. As the Continuing LLC Owners will control both Planet Fitness, Inc. and Pla-Fit Holdings, LLC following the recapitalization transactions we will consolidate Pla-Fit Holdings, LLC and Pla-Fit Holdings, LLC will be considered our predecessor for accounting purposes. The Holdings Units owned by the Continuing LLC Owners will be considered noncontrolling interests in the consolidated financial statements of Planet Fitness, Inc. The amount allocated to noncontrolling interests represents the proportional interest in the pro forma consolidated total equity of Pla-Fit Holdings, LLC owned by those unit holders.

In addition, Planet Fitness, Inc. will issue to the Continuing LLC Owners one share of Class B common stock for each Holdings Unit they hold. The shares of Class B common stock have no rights to dividends or distributions, whether in cash or stock, but entitle the holder to one vote per share on matters presented to stockholders of Planet Fitness, Inc.

In connection with the recapitalization transactions, the following Class A and Class B shares will be issued:

	Continuing LLC Owners	Direct TSG Investors
Class A shares		
Class B shares		

In connection with the offering, additional Class A shares will be issued.

Following the recapitalization transactions and the offering, Planet Fitness, Inc. will hold Holdings Units, and the Continuing LLC Owners will hold Holdings Units.

The Continuing LLC Owners, from time to time following the offering, may require us to exchange all or a portion of their Holdings Units for newly issued shares of our Class A common stock on a one-for-one basis or, at our discretion, cash. Shares of our Class B common stock will be cancelled on a one-for-one basis if we, at the election of a Continuing LLC Owner, redeem or exchange Holdings Units of such Continuing LLC Owner pursuant to the terms of the exchange agreement. The decision whether to tender Holdings Units to us will be made solely at the discretion of the Continuing LLC Owners. We will exercise discretion regarding the form of consideration in any such exchange. Pursuant to the exchange agreement, any such decisions will be made on our behalf by a majority of the disinterested members of our board of directors.

- (4) Represents the cash-based and equity-based compensation expense of \$ million and the related deferred tax asset of \$ million recognized at the time of this offering related to the 2013 Performance Incentive Plan and the Class M Units that vest in connection with this offering, respectively. There are no additional amounts to be recognized following this offering related to the 2013 Performance Incentive Plan as all related amounts become payable in connection with this offering. As discussed in the notes to the unaudited pro forma statements of operations, additional expense for the Class M Units will be recorded in periods following this offering in accordance with the vesting provisions of those awards.
- (5) Represents the net proceeds from the sale of shares of our Class A common stock in this offering based on an assumed initial public offering price of \$ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), after deducting estimated underwriting discounts and commissions and the related use of the proceeds to purchase Holdings Units from certain Continuing LLC Owners.
- (6) Represents the expense of \$ million recognized at the time of this offering in connection with the termination of our management services agreement with TSG. For the year ended December 31, 2014, Pla-Fit Holdings, LLC recognized expenses totaling \$1.2 million related to management fees paid to TSG. In connection with this offering, the management services agreement will be terminated, and we do not plan to execute a new management services agreement. This pro forma adjustment relates solely to the management services agreement termination fee payable to TSG in connection with the offering.
- (7) Represents expenses of \$ million related to the offering that will be paid by us. Since we will not retain any proceeds from the offering, these amounts are expensed as incurred prior to and at the time of the offering.

Table of Contents

Planet Fitness, Inc.
Unaudited pro forma consolidated statement of operations
for the quarter ended March 31, 2015

(in millions, except share and per share data)	Historical Pla-Fit Holdings, LLC	Recapitalization transactions adjustments	As adjusted before offering	Offering adjustments	Pro forma Planet Fitness, Inc.
Revenue:					
Franchise	\$ 17.0	\$	\$	\$	\$
Commission income	4.8				
Corporate-owned stores	23.5				
Equipment	31.6				
Total revenues	76.9				
Operating costs and expenses:					
Cost of revenue	26.0				
Store operations	14.3				
Selling, general and administrative	14.1			(1)	
Depreciation and amortization	8.2				
Other loss	—				
Total operating costs and expenses	62.6				
Income from operations	14.3				
Other income (expense), net:					
Interest income	0.2				
Interest expense	(5.0)				
Other income (expense)	(0.7)			(5)	
Total other expense, net	(5.5)				
Income before taxes	8.8				
Provision for income taxes	0.3	(2)		(1)	
Net income	8.5				
Less net income attributable to noncontrolling interests	0.1	(3)		(4)	
Net income attributable to Planet Fitness, Inc.	\$ 8.4	\$	\$	\$	\$
Pro forma net income					

per share data(6):	
Pro forma net income	
per share:	
Basic	\$
Diluted	\$
Pro forma weighted	
average shares of	
Class A common	
stock outstanding:	
Basic	
Diluted	

Notes to unaudited pro forma condensed consolidated statement of operations for the quarter ended March 31, 2015

- (1) Planet Fitness, Inc. will record equity-based compensation expense related to the Holdings Units that were issued to replace the Class M Units granted to employees of Pla-Fit Holdings, LLC as such units vest. The Class M Units automatically convert to Holdings Units in accordance with the terms of these awards. Eighty percent of the awards vest over five years of continuous service while the other twenty percent only vest in the event of an initial public offering. All of the Class M Units provide for accelerated vesting if there is a Company Sale (as defined in the existing Pla-Fit Holdings, LLC agreement). The Class M Units receive distributions only upon a liquidity event, as defined in the existing Pla-Fit Holdings, LLC agreement, that exceeds a threshold approximately equivalent to the fair value at the grant date. Compensation expense related to these awards is determined based on the fair value of the award as of the grant date, determined using a Monte Carlo simulation model. Significant assumptions include the business enterprise value, time to a liquidity event, volatility and expected term of the awards. Compensation expense will be recognized over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. In accordance with the terms of the Class M Units, the recognition of expense for these awards results from this offering. The pro forma adjustment represents the expense and corresponding tax benefit during the quarter ended March 31, 2015. This adjustment is necessary to reflect the expense associated with awards that are not vested at the time of the offering. The adjustment relates solely to expense related to the Holdings Units which replace the Class M Units and not to the Holdings Units that replace the Class T and Class O Units, as the Class T and Class O Units are not compensatory.

Additionally, Planet Fitness, Inc. expects to record additional equity-based compensation expense of approximately \$ million and a corresponding tax benefit of \$ million upon completion of this offering related to Holdings Units granted to employees that were not eligible to vest until completion of an initial public offering, which were excluded from the unaudited pro forma consolidated statement of operations.

- (2) Planet Fitness, Inc. will be subject to U.S. federal income taxes, in addition to state and local taxes, with respect to our allocable share of any net taxable income of Pla-Fit Holdings, LLC. As a result, the unaudited pro forma consolidated statement of operations reflects an adjustment to our provision for income taxes to reflect an effective rate of %, which was calculated using the current U.S. federal income tax rate and the highest statutory rates apportioned to each state and local jurisdiction.
- (3) The Holdings Units of Pla-Fit Holdings, LLC owned by the Continuing LLC Owners will be considered noncontrolling interests in the consolidated financial statements of Planet Fitness, Inc. The pro forma adjustment reflects the allocation of Pla-Fit Holdings, LLC net income to the noncontrolling interests. Immediately following the recapitalization transactions and prior to the completion of this offering, the non-controlling interests held by the Continuing LLC Owners will have % economic ownership of Pla-Fit Holdings, LLC, and as such, % of Pla-Fit Holdings, LLC's net income will be attributable to the non-controlling interests. The remaining economic ownership of Pla-Fit Holdings, LLC will be held by Planet Fitness, Inc. following the recapitalization transactions.
- (4) Upon consummation of this offering, the noncontrolling interests' ownership of Pla-Fit Holdings, LLC will be diluted to %, and, therefore, net income will be attributable to the noncontrolling interests based on their % ownership interest, and to Planet Fitness, Inc., which indirectly owns the remaining % of the Holdings Units of Pla-Fit Holdings, LLC, based on its % interest. The noncontrolling interests in Planet Fitness, Inc. will be diluted in connection with the offering as a result of the Holdings Units acquired from the Continuing LLC Owners with the net proceeds from the offering.
- (5) For the quarter ended March 31, 2015, Pla-Fit Holdings, LLC recognized expenses totaling \$0.2 million related to management fees paid to TSG. In connection with this offering, this management services

Table of Contents

agreement will be terminated, and we do not plan to execute a new management services agreement. This pro forma adjustment removes this expense from the Pla-Fit Holdings, LLC historical financial statements as such amounts will not be incurred following this offering.

- (6) The pro forma net income per share is calculated using the treasury stock method, using only the shares of Class A common stock, with consideration given to the potential dilutive effect of the Holdings Units as follows. The shares of Class B common stock have no rights to dividends or distributions, whether in cash or stock, and therefore are excluded from this calculation.

Quarter ended March 31, 2015	Pro forma Planet Fitness, Inc.	
	Basic	Diluted
Numerator:		
Net income attributable to Planet Fitness, Inc.		
Denominator:		
Weighted average shares outstanding—basic		
Effect of dilutive securities:		
Dilutive effect of exchangeable Holdings Units		
Dilutive equity based compensation awards		
Equivalent shares		
Net income per share attributable to Planet Fitness, Inc.		

Table of Contents

Planet Fitness, Inc.
Unaudited pro forma consolidated statement of operations
for the year ended December 31, 2014

(in millions, except share and per share data)	Historical Pla-Fit Holdings, LLC	Recapitalization transactions adjustments	As adjusted before offering	Offering adjustments	Pro forma Planet Fitness, Inc.
Revenue:					
Franchise	\$ 58.0	\$	\$	\$	\$
Commission income	13.9				
Corporate-owned stores	85.0				
Equipment	122.9				
Total revenues	279.8				
Operating costs and expenses:					
Cost of revenue	100.3				
Store operations	49.5				
Selling, general and administrative	35.1			(1)	
Depreciation and amortization	32.3				
Other loss	1.0				
Total operating costs and expenses	218.2				
Income from operations	61.6				
Other income (expense), net:					
Interest income	0.4				
Interest expense	(22.2)				
Other income (expense)	(1.3)			(5)	
Total other expense, net	(23.1)				
Income before taxes	38.5				
Provision for income taxes	1.2	(2)		(1)	
Net income	37.3				
Less net income attributable to noncontrolling interests	0.5	(3)		(4)	
Net income attributable to Planet Fitness, Inc.	\$ 36.8	\$	\$	\$	\$
Pro forma net income					

per share data(6):	
Pro forma net income	
per share:	
Basic	\$
Diluted	\$
Pro forma weighted	
average shares of	
Class A common	
stock outstanding:	
Basic	
Diluted	

Notes to unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2014

- (1) Planet Fitness, Inc. will record equity-based compensation expense related to the Holdings Units that were issued to replace the Class M Units granted to employees of Pla-Fit Holdings, LLC as such units vest. The Class M Units automatically convert to Holdings Units in accordance with the terms of these awards. Eighty percent of the awards vest over five years of continuous service, while the other twenty percent only vest in the event of an initial public offering. All of the Class M Units provide for accelerated vesting if there is a Company Sale (as defined in the existing Pla-Fit Holdings, LLC agreement). The Class M Units receive distributions only upon a liquidity event, as defined in the existing Pla-Fit Holdings, LLC agreement, that exceeds a threshold approximately equivalent to the fair value at the grant date. Compensation expense related to these awards is determined based on the fair value of the award as of the grant date, determined using a Monte Carlo simulation model. Significant assumptions include the business enterprise value, time to a liquidity event, volatility and expected term of the awards. Compensation expense will be recognized over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. In accordance with the terms of the Class M Units, the recognition of expense for these awards results from this offering. The pro forma adjustment represents the annual expense following this offering and corresponding tax benefit during 2014. This adjustment is necessary to reflect the expense associated with awards that are not vested at the time of the offering. The adjustment relates solely to expense related to the Holdings Units which replace the Class M Units, and not to the Holdings Units that replace the Class T and Class O Units, as the Class T and Class O Units are not compensatory.

Additionally, Planet Fitness, Inc. expects to record additional equity-based compensation expense of approximately \$ million and a corresponding tax benefit of \$ million upon completion of this offering related to Holdings Units granted to employees that were not eligible to vest until completion of an initial public offering, which were excluded from the unaudited pro forma consolidated statement of operations.

- (2) Planet Fitness, Inc. will be subject to U.S. federal income taxes, in addition to state and local taxes, with respect to our allocable share of any net taxable income of Pla-Fit Holdings, LLC. As a result, the unaudited pro forma consolidated statement of operations reflects an adjustment to our provision for income taxes to reflect an effective rate of %, which was calculated using the current U.S. federal income tax rate and the highest statutory rates apportioned to each state and local jurisdiction.
- (3) The Holdings Units of Pla-Fit Holdings, LLC owned by the Continuing LLC Owners will be considered noncontrolling interests in the consolidated financial statements of Planet Fitness, Inc. The pro forma adjustment reflects the allocation of Pla-Fit Holdings, LLC net income to the noncontrolling interests. Immediately following the recapitalization transactions and prior to the completion of this offering, the noncontrolling interests held by the Continuing LLC Owners will have % economic ownership of Pla-Fit Holdings, LLC, and as such, % of Pla-Fit Holdings, LLC's net income will be attributable to the noncontrolling interests. The remaining economic ownership of Pla-Fit Holdings, LLC will be held by Planet Fitness, Inc. following the recapitalization transactions.
- (4) Upon consummation of this offering, the noncontrolling interests' ownership of Pla-Fit Holdings, LLC will be diluted to %, and, therefore, net income will be attributable to the noncontrolling interests based on their % ownership interest, and to Planet Fitness, Inc., which indirectly owns the remaining % of the Holdings Units of Pla-Fit Holdings, LLC, based on its % interest. The noncontrolling interests in Planet Fitness, Inc. will be diluted in connection with the offering as a result of the Holdings Units acquired from the Continuing LLC Owners with the net proceeds from the offering.

Table of Contents

- (5) For the year ended December 31, 2014, Pla-Fit Holdings, LLC recognized expenses totaling \$1.2 million related to management fees paid to TSG. In connection with this offering, this management services agreement will be terminated and we do not plan to execute a new management services agreement. This pro forma adjustment removes this expense from the Pla-Fit Holdings, LLC historical financial statements as such amounts will not be incurred following this offering.
- (6) The pro forma net income per share is calculated using the treasury stock method, using only the shares of Class A common stock, with consideration given to the potential dilutive effect of the Holdings Units as follows. The shares of Class B common stock have no rights to dividends or distributions, whether in cash or stock, and therefore are excluded from this calculation.

Year ended December 31, 2014	Pro forma Planet Fitness, Inc.	
	Basic	Diluted
Numerator:		
Net income attributable to Planet Fitness, Inc.		
Denominator:		
Weighted average shares outstanding—basic		
Effect of dilutive securities:		
Dilutive effect of exchangeable Holdings Units		
Dilutive equity based compensation awards		
Equivalent shares		
Net income per share attributable to Planet Fitness, Inc.		

Selected consolidated financial and other data

The following selected consolidated financial and other data of Pla-Fit Holdings, LLC should be read in conjunction with “The recapitalization transactions,” “Use of proceeds,” “Capitalization,” “Management’s discussion and analysis of financial condition and results of operations” and our audited and unaudited consolidated financial statements and the related notes included elsewhere in this prospectus. Following this offering, Pla-Fit Holdings, LLC will be considered our predecessor for accounting purposes, and its consolidated financial statements will be our historical financial statements following this offering. The terms “Predecessor” and “Successor” used below and throughout this prospectus refer to the periods prior and subsequent to the 2012 Acquisition, respectively.

The selected historical consolidated financial data in the following table as of December 31, 2013 and 2014 and for the periods from January 1, 2012 to November 7, 2012 (Predecessor) and November 8, 2012 to December 31, 2012 (Successor) and for the years ended December 31, 2013, and 2014 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected historical consolidated financial data as of March 31, 2015 and for the quarters ended March 31, 2014 and 2015 are derived from our unaudited consolidated financial statements included elsewhere in this prospectus. In the opinion of our management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the results for those periods have been reflected. The selected consolidated financial data set forth below as of December 31, 2010, 2011 and 2012 and for the years ended December 31, 2010 and 2011 are derived from our audited consolidated financial statements not included in this prospectus. The selected consolidated financial data set forth below as of March 31, 2014 is derived from our unaudited balance sheet not included in this prospectus.

The unaudited combined results of operations and cash flows for the year ended December 31, 2012 represents the mathematical addition of our Predecessor’s results of operations from January 1, 2012 to November 7, 2012, and the Successor’s results of operations from November 8, 2012 to December 31, 2012. We have included the unaudited combined financial information in order to facilitate a comparison with our other years.

Selected historical financial and other data for Planet Fitness, Inc. has not been provided, as Planet Fitness, Inc. is a newly incorporated entity and has had no business transactions or other activities to date and no assets or liabilities during the periods presented below.

Table of Contents

			Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012		Combined year ended December 31, 2012	Years ended		Quarters ended	
			Years ended December 31,				December 31,		March 31,	
(in millions, except per share data)	2010	2011					2013	2014	2014	2015
Consolidated statement of operations data:	(Predecessor)	(Predecessor)	(Predecessor)		(Successor)	(Unaudited) (1)	(Successor)	(Successor)	(Successor)	(Successor)
Revenue:										
Franchise revenue (2)	11.2	14.9	21.3		4.4	25.7	33.7	58.0	12.5	17.0
Commision Income	4.9	6.9	7.1		1.9	9.0	10.4	13.9	4.0	4.8
Franchise segment	16.1	21.8	28.4		6.3	34.7	44.1	71.9	16.5	21.8
Corporate-owned stores segment	31.4	39.4	40.4		8.8	49.2	67.4	85.0	17.7	23.5
Equipment segment (2)	44.8	75.2	49.1		26.7	75.8	99.5	122.9	23.4	31.6
Total revenue	92.3	136.4	117.9		41.8	159.7	211.0	279.8	57.6	76.9
Operating costs and expenses:										
Cost of revenue	34.0	58.0	41.0		21.5	62.5	81.4	100.3	19.2	26.0
Store operations	23.1	27.8	28.4		5.9	34.3	41.7	49.5	10.5	14.3
Selling, general and administrative	12.1	15.0	19.5		2.6	22.1	23.1	35.1	6.6	14.1
Depreciation and amortization	3.5	4.2	5.7		7.0	12.7	28.8	32.3	6.5	8.2
Impairment of goodwill and intangible assets	1.3	—	—		—	—	—	—	—	—
Other (gains) losses	—	(0.2)	(1.9)		—	(1.9)	—	1.0	1.3	—
Total operating costs and expenses	74.0	104.8	92.7		37.0	129.7	175.0	218.2	44.1	62.6
Income from operations	18.3	31.6	25.2		4.8	30.0	36.0	61.6	13.5	14.3
Other income (expense), net:										
Interest income	0.4	0.6	0.9		0.1	1.0	0.5	0.4	0.1	0.2
Interest expense (3)	(1.9)	(2.5)	(2.3)		(2.5)	(4.8)	(9.4)	(22.2)	(6.6)	(5.0)
Other income (expense)	0.3	0.3	—		(0.1)	(0.1)	(0.7)	(1.3)	(0.4)	(0.7)
Total other expense, net	(1.2)	(1.6)	(1.4)		(2.5)	(3.9)	(9.6)	(23.1)	(6.9)	(5.5)
Income before provision for income taxes	17.1	30.0	23.8		2.3	26.1	26.4	38.5	6.6	8.8
Provision for income taxes	0.6	0.8	0.6		0.1	0.7	0.6	1.2	0.3	0.3
Net income	16.5	29.2	23.2		2.2	25.4	25.8	37.3	6.3	8.5
Less net (loss) income attributable to noncontrolling interests	(1.2)	2.3	1.0		—	1.0	0.4	0.5	0.2	0.1
Net income attributable to members of Pla-Fit Holdings, LLC	\$ 17.7	\$ 26.9	\$ 22.2		\$ 2.2	\$ 24.4	\$ 25.4	\$ 36.8	\$ 6.1	\$ 8.4
Pro forma net income per share data (unaudited): (4)										
Pro forma net income per share:										
Basic							\$	—	\$	—
Diluted							\$	—	\$	—
Pro forma weighted average shares of Class A common stock outstanding:										
Basic										
Diluted										
Consolidated statement of cash flows data:										
Net cash provided by operating activities	\$ 29.5	\$ 38.0	\$ 30.6		\$ 12.5	\$ 43.1	\$ 66.9	\$ 79.4	\$ 8.2	\$ 12.0
Net cash used in investing activities	(7.9)	(6.7)	(16.7)		(216.2)	(232.9)	(7.1)	(54.4)	(39.5)	(5.3)
Net cash provided by (used in) financing activities	(20.2)	(34.0)	(5.8)		192.4	186.6	(38.0)	(13.0)	15.0	(22.5)
Consolidated balance sheet data:										
Cash and cash equivalents	\$ 15.7	\$ 13.0	n/a		\$ 9.5	n/a	\$ 31.3	\$ 43.3	\$ 15.0	\$ 27.5
Property and equipment, net	28.0	28.2	n/a		32.7	n/a	33.8	49.6	40.6	51.6
Total assets	61.6	67.5	n/a		559.7	n/a	562.1	609.3	579.4	579.6
Total debt and capital lease	30.6	24.3	n/a		201.8	n/a	184.5	387.5	391.1	506.4

obligations									
Total equity	1.0	1.8	n/a	316.6	n/a	321.9	151.7	144.3	12.4

- (1) The table above sets forth our results of operations for the period from January 1, 2012 to November 7, 2012 (predecessor), and the period November 8, 2012 to December 31, 2012 (successor). The unaudited combined results of operations and cash flows for the year ended December 31, 2012 represents the mathematical addition of our Predecessor's results of operations from January 1, 2012 to November 7, 2012, and the Successor's results of operations from November 8, 2012 to December 31, 2012. We have included the unaudited combined financial information in order to facilitate a comparison with our other years. Each of the Predecessor and Successor results for the period from January 1, 2012 to November 7, 2012, and the period from November 8, 2012 to December 31, 2012, respectively, have been audited and are consistent with GAAP. However, the presentation of unaudited combined financial information for the year ended December 31, 2012 is not consistent with GAAP or with the pro forma requirements of Article 11 of Regulation S-X, and may yield results that are not comparable on a period-to-period basis primarily due to (i) the impact of required purchase accounting adjustments and (ii) the new basis of accounting

Table of Contents

established in connection with the 2012 Acquisition. Such results are not necessarily indicative of what the results for the respective periods would have been had the 2012 Acquisition not occurred. All references to the year ended December 31, 2012 in this prospectus are based on this unaudited combined information.

- (2) Effective January 1, 2012, we began to report placement revenue within franchise revenue. Prior to January 1, 2012, this revenue was reported within equipment revenue. Placement revenue includes amounts we charge our franchisees for assembling and placing cardio and strength equipment at franchisee-owned stores. Placement revenue was \$4.9 million, \$6.3 million and \$8.5 million in 2012, 2013 and 2014, respectively. Prior to 2012, we did not separately track these amounts.
- (3) Interest expense in 2014 includes \$4.7 million for the loss on extinguishment of debt.
- (4) Basic net income per share is computed by dividing the net income available to common stockholders by the weighted-average shares of common stock outstanding during the period. Diluted net income per share is computed by adjusting the net income available to common stockholders and the weighted-average shares of common stock outstanding to give effect to potentially dilutive securities. For more information regarding the pro forma presentation of these measures, see "Unaudited pro forma consolidated financial information."

	Years ended December 31,					Quarters ended March 31,	
	2010	2011	2012	2013	2014	2014	2015
	(Predecessor)	(Predecessor)	(Combined)	(Successor)	(Successor)	(Successor)	(Successor)
Other Operating Data:							
(Unaudited) ⁽¹⁾							
Number of stores at end of period: ⁽²⁾							
Franchisee-owned	356	457	562	704	863	732	919
Corporate-owned	33	31	44	45	55	53	57
System-wide	389	488	606	749	918	785	976
Same store sales growth: ⁽³⁾							
Franchisee-owned	14.3%	3.8%	8.7%	9.1%	11.5%	13.6%	11.7%
Corporate-owned	5.7%	3.3%	4.8%	6.1%	5.4%	6.1%	4.6%
System-wide	13.6%	3.6%	8.1%	8.4%	10.8%	13.0%	10.9%
(In millions)							
System-wide membership data:							
Number of members at end of period ⁽⁴⁾	2.3	2.9	3.7	4.8	6.1	5.7	7.1
System-wide sales ⁽⁵⁾	\$ 415.6	\$ 519.7	\$ 693.7	\$ 891.0	\$ 1,189.9	\$ 228.0	\$ 328.0
EBITDA ⁽⁶⁾	\$ 22.1	\$ 36.1	\$ 42.6	\$ 64.1	\$ 92.6	\$ 19.6	\$ 21.8
Adjusted EBITDA ⁽⁶⁾	\$ 22.6	\$ 38.1	\$ 51.3	\$ 71.1	\$ 100.6	\$ 22.0	\$ 28.5

- (1) For the other operating data shown in the table above, we have combined the Predecessor and the Successor periods to present 2012 on a combined basis only.
- (2) We classify a store as open on the date the store receives its occupancy certificate, which is typically the date the store is first available for use by its members.
- (3) Same store sales refers to year-over-year sales comparisons for the same store sales base. We define the same store sales base to include those stores that have been open and for which membership dues have been billed for longer than 12 months. We measure same store sales based solely on monthly dues billed to members of our corporate-owned stores and franchisee-owned stores.
- (4) We define members as all active members, which includes both monthly billing members, prepay members and all pre-sale members. Pre-sale members include those that have joined a store prior to the store opening. This data is system-wide, which includes members of corporate-owned and franchisee-owned stores.
- (5) We define system-wide sales as the monthly dues and annual fees from members of both corporate-owned and franchisee-owned stores.
- (6) EBITDA is defined as net income before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as net income before interest, taxes, depreciation and amortization, adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include certain purchase accounting adjustments, management fees, certain IT system upgrade costs, acquisition transaction fees, IPO-related costs, pre-opening costs and certain other charges and gains that we do not believe reflect our underlying business performance. EBITDA and Adjusted EBITDA as presented in this prospectus are supplemental measures of our performance that are neither required by, nor presented in accordance with, GAAP. EBITDA and Adjusted EBITDA should not be considered as substitutes for GAAP metrics such as net income or any other performance measures derived in accordance with GAAP. Also, in the future we may incur expenses or charges such as those added back to

Table of Contents

calculate Adjusted EBITDA. Our presentation of EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items. See "Management's discussion and analysis of financial condition and results of operations—Non-GAAP financial measures."

The following table reconciles net income to EBITDA and Adjusted EBITDA for the years ended December 31, 2010, 2011, 2012, 2013 and 2014, respectively, and the quarters ended March 31, 2014 and 2015, respectively.

	Years ended December 31,					Quarters ended March 31,	
	2010	2011	2012	2013	2014	2014	2015
(unaudited, in millions)	(Predecessor)	(Predecessor)	(Combined)	(Successor)	(Successor)	(Successor)	(Successor)
Net income	\$ 16.5	\$ 29.2	\$ 25.4	\$ 25.8	\$ 37.3	\$ 6.3	\$ 8.5
Interest expense, net ⁽¹⁾	1.5	1.9	3.8	8.9	21.8	6.5	4.8
Provision for income taxes	0.6	0.8	0.7	0.6	1.2	0.3	0.3
Depreciation and amortization	3.5	4.2	12.7	28.8	32.3	6.5	8.2
EBITDA	22.1	36.1	42.6	64.1	92.6	19.6	21.8
Purchase accounting adjustments ⁽²⁾	—	—	0.8	2.8	2.8	1.7	0.4
Management fees ⁽³⁾	—	—	0.1	1.1	1.2	0.3	0.3
IT system upgrade costs ⁽⁴⁾	—	0.8	0.5	2.5	1.2	0.2	3.6
Transaction fees ⁽⁵⁾	—	0.2	2.0	0.3	0.6	—	—
IPO-related costs ⁽⁶⁾	—	—	—	—	0.7	0.1	1.8
Legacy bonus ⁽⁷⁾	—	—	4.5	—	—	—	—
Pre-opening costs ⁽⁸⁾	0.5	0.6	0.1	0.3	1.7	0.1	0.6
Other ⁽⁹⁾	—	0.4	0.7	—	(0.2)	—	—
Adjusted EBITDA	<u>\$ 22.6</u>	<u>\$ 38.1</u>	<u>\$ 51.3</u>	<u>\$ 71.1</u>	<u>\$ 100.6</u>	<u>\$ 22.0</u>	<u>\$ 28.5</u>

(1) Includes \$4.7 million of loss on extinguishment of debt in 2014.

(2) Represents the impact of certain purchase accounting adjustments associated with the 2012 Acquisition of Pla-Fit Holdings, LLC on November 8, 2012 and our acquisition of eight franchisee-owned stores during 2014. These are primarily related to fair value adjustments to deferred revenue and deferred rent.

(3) Represents management fees and expenses paid to a management company affiliated with TSG pursuant to a management services agreement that will terminate in connection with this offering. See "Certain relationships and related party transactions—Related party agreements in effect prior to this offering—Management services agreement."

(4) Represents costs associated with certain IT system upgrades, primarily related to our point-of-sale systems.

(5) Represents transaction fees and expenses primarily related to business acquisitions and dispositions.

(6) Represents legal, accounting and other costs incurred in preparation for this offering.

(7) Relates primarily to bonuses for certain employees at the time of the 2012 Acquisition that were paid by the members of the Predecessor, which according to accounting rules applicable to us must be reported in our GAAP results.

(8) Represents costs associated with new corporate-owned stores incurred prior to the store opening, including payroll-related costs, rent and occupancy expenses, marketing and other store operating supply expenses.

(9) Represents certain other charges and gains that we do not believe reflect our underlying business performance. These charges consisted primarily of severance in 2011, severance offset by the gain from the sale of two stores to a franchisee in 2012 and the net gain recorded from the receipt of insurance proceeds related to restoration and business interruption costs from the flood that occurred in our Bayshore, New York store in October 2014.

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 consolidated results of operations in conjunction with the "Selected consolidated financial and other data" section of this prospectus and our consolidated financial statements and the related notes appearing elsewhere in this prospectus. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth in the "Risk factors" section and elsewhere in this prospectus.

Overview

We are one of the largest and fastest-growing franchisors and operators of fitness centers in the United States by number of members and locations, with a highly recognized national brand. Our mission is to enhance people's lives by providing a high-quality fitness experience in a welcoming, non-intimidating environment, which we call the Judgement Free Zone, where anyone—and we mean anyone—can feel they belong. Our bright, clean stores are typically 20,000 square feet, with a large selection of high-quality, purple and yellow Planet Fitness-branded cardio, circuit- and weight-training equipment and friendly staff trainers who offer unlimited free fitness instruction to all our members in small groups through our PE@PF program. We offer this differentiated fitness experience at only \$10 per month for our standard membership. This exceptional value proposition is designed to appeal to a broad population, including occasional gym users and the approximately 80% of the U.S. and Canadian populations over age 14 who are not gym members, particularly those who find the traditional fitness club setting intimidating and expensive. We and our franchisees fiercely protect Planet Fitness' community atmosphere—a place where you do not need to be fit before joining and where progress toward achieving your fitness goals (big or small) is supported and applauded by our staff and fellow members.

Our judgement-free approach to fitness and exceptional value proposition have enabled us to grow our revenues to \$279.8 million in 2014 and to become an industry leader with \$1.2 billion in system-wide sales in 2014, and more than 7.1 million members and 976 stores in 47 states, Puerto Rico and Canada as of March 31, 2015. System-wide sales for 2014 include \$1.1 billion attributable to franchisee-owned stores, from which we generate royalty revenue, and \$82.0 million attributable to our corporate-owned stores. Of our 976 stores, 919 are franchised and 57 are corporate-owned. Our stores are successful in a wide range of geographies and demographics. According to internal and third-party analysis, we believe we have the opportunity to more than quadruple our store count to over 4,000 stores in the United States alone. Under signed ADAs as of March 31, 2015, our franchisees have committed to open more than 1,000 additional stores.

In 2014, our corporate-owned stores had segment EBITDA margin of 37.3% and had AUVs of approximately \$1.6 million with four-wall EBITDA margins of approximately 41%, or approximately 36% after applying the 5% royalty rate under our current franchise agreements. Based on a survey of franchisees, we believe that our franchise stores achieve four-wall EBITDA margins in line with these corporate-owned store EBITDA margins. For a reconciliation of segment EBITDA margin to four-wall EBITDA margin for corporate-owned stores, see "—Non-GAAP measures."

We have expanded our store base from 389 stores in 39 states as of December 31, 2010 to 918 stores in 47 states, Canada and Puerto Rico as of December 31, 2014. We opened 171 stores in 2014, including two corporate-owned stores and 169 franchise stores. As of March 31, 2015, we had 187 different franchisee groups that owned 919 stores and had commitments to open more than 1,000 new stores under existing ADAs. We believe we are well positioned for future growth with a developed infrastructure capable of supporting a store

base that is far greater than our existing footprint. Of the 57 existing corporate-owned stores as of March 31, 2015, eight of these stores were acquired from a franchisee (who is still an existing franchisee with other stores) on March 31, 2014.

Composition of revenues, expenses and cash flows

Revenues

We generate revenue from three primary sources:

- *Franchise segment revenue:* Franchise segment revenue relates to services we provide to support our franchisees and includes royalty revenue, franchise fees, placement revenue, other fees and commission income associated with our franchisee-owned stores. Franchise segment revenue does not include the sale of tangible products by us to our franchisees. Our franchise segment revenue comprised 24%, 15%, 21% and 26% of our total revenue for the period from January 1, 2012 to November 7, 2012, the period from November 8, 2012 to December 31, 2012, and the years ended December 31, 2013 and 2014, respectively, and 29% and 28% of our total revenue for the quarters ended March 31, 2014 and 2015, respectively. Royalty revenue, which represents royalties paid by franchisees based on the franchisee-owned stores' monthly and annual membership billings, is recognized on a monthly basis over the term of the franchise agreement. Franchise fees, which include fees under ADAs, are recognized when we have substantially completed all of our performance obligations, which is generally at or near the store opening date. Placement revenue includes amounts we charge our franchisees for assembling and placing cardio and strength equipment at franchisee-owned stores. Placement revenue is recognized upon completion and acceptance of the services at the franchisee stores. Other fees includes online member join fees we receive from franchisees related to processing transactions for new members joining franchisee-owned stores through the Company's website and billing transaction fees we receive from franchisees related to franchisee membership billing processing through our third-party hosted point-of-sale system. Through our point-of-sale system, we oversee the processing of membership billings for franchisee-owned stores through EFT transactions and the billing transaction fees we receive are based upon the number of transactions processed. Our royalties and other fees are deducted from these membership billings and remitted to us by the processor prior to the net billings being remitted to the franchisees. Commission income is generated from activities related to our franchisees, including purchases of merchandise, promotional materials and store fixtures by our franchisees from third-party vendors. These commissions are recognized when amounts have been earned and collectability from the vendor is reasonably assured.
- *Corporate-owned store segment revenue :* Includes monthly membership dues, enrollment fees, annual fees and prepaid fees paid by our members as well as retail sales. This source of revenue comprised 34%, 21%, 32% and 30% of our total revenue for the period from January 1, 2012 to November 7, 2012, the period from November 8, 2012 to December 31, 2012, and the years ended December 31, 2013 and 2014, respectively, and 31% and 31% of our total revenue for the quarters ended March 31, 2014 and 2015, respectively. As of March 31, 2015, 95% of our members paid their monthly dues by EFT, while the remainder prepaid annually in advance. Membership dues and fees are earned and recognized over the membership term. Enrollment fees are recognized ratably over the estimated duration of the membership. Annual fees are recognized ratably over the 12-month membership period. Retail sales are recognized at the point of sale.
- *Equipment segment revenue :* Includes equipment sales for new franchisee-owned stores as well as replacement equipment for existing franchisee-owned stores. Franchisee-owned stores are required to replace their equipment every four to seven years based on the life of the specific equipment. This source of revenue comprised 42%, 64%, 47% and 44% of our total revenue for the period from January 1, 2012 to November 7, 2012, the period from November 8, 2012 to December 31, 2012, and the years ended December 31, 2013 and 2014, respectively, and 41% and 41% of our total revenue for the quarters ended March 31, 2014 and 2015, respectively. Equipment revenue is recognized when the equipment is delivered, assembled, placed and accepted by the franchisee.

Table of Contents

Expenses

We primarily incur the following expenses:

- *Cost of revenue* : Primarily includes the direct costs associated with equipment sales to new and existing franchisee-owned stores as well as direct costs related to our point-of-sale system. Cost of revenue also includes the cost of retail sales at our corporate-owned stores, which is immaterial. Our cost of revenue changes primarily based on equipment sales volume.
- *Store operations* : Includes the direct costs associated with our corporate-owned stores, primarily rent, utilities, payroll, marketing, maintenance and supplies. The components of store operations remain relatively stable for each store and change primarily based on the number of corporate-owned stores. Our statements of operations do not include, and we are not responsible for, any costs associated with operating franchisee-owned stores.
- *Selling, general and administrative expenses* : Consists of costs associated with administrative and franchisee support functions related to our existing business as well as growth and development activities, including costs to support placement services. These costs primarily consist of payroll, IT-related, marketing, legal and accounting expenses.

Cash flows

We generate a significant portion of our cash flows from monthly membership dues, royalties and various fees and commissions related to transactions involving our franchisee-owned stores. We oversee the membership billing process, as well as the collection of our royalties and certain other fees, through our third-party hosted system-wide point-of-sale system. We collect monthly dues from our corporate-owned store members on or around the 17th of each month, while annual fees are collected in February, June or October, depending on when the membership agreement was signed. Through our point-of-sale system, we oversee the processing of membership billings for franchisee-owned stores. Our royalties and certain other fees are deducted on or around the 17th of each month from these membership billings by the processor prior to the net billings being remitted to the franchisees. Our franchisees are responsible for maintaining the membership billing records and collection of member dues for their respective stores through the point-of-sale system. Our royalties are based on monthly and annual membership billings for the franchisee-owned stores without regard to the collections of those billings by our franchisees. The amount and timing of the collection of royalties and membership dues and fees at corporate-owned stores is, therefore, generally fairly predictable.

As new corporate-owned stores open, or existing stores generate positive same store sales, future corporate-owned store revenues are expected to grow. Our corporate-owned stores also generate strong operating margins and cash flow, as a significant portion of our costs are fixed or semi-fixed such as rent and labor.

Equipment sales to new and existing franchisee-owned stores also generate significant cash flows. Franchisees either pay in advance or provide evidence of a committed financing arrangement.

Recent transactions

On March 31, 2015, we amended our senior secured credit facility to provide for an increase in term loan borrowings to \$506.1 million to permit the issuance of a cash distribution of approximately \$140.0 million to holders of Class T Units and Class O Units of Pla-Fit Holdings, LLC. The full incremental borrowings of \$120.0 million plus cash on hand were used to fund the distribution.

On March 31, 2014, we acquired the assets related to eight stores in the Hudson Valley area of New York from a franchisee for total consideration of \$41.6 million. As a result of this transaction, the stores became corporate-owned stores, and we recorded related property and equipment, intangible assets and goodwill.

Table of Contents

On November 8, 2012, Pla-Fit Holdings, LLC was acquired by an investment fund affiliated with TSG for consideration totaling \$479.3 million. The 2012 Acquisition was accounted for using the purchase method of accounting, which resulted in a new basis for the assets acquired and liabilities assumed, including intangible assets that are being amortized primarily on a straight-line basis over their estimated useful lives by the Successor as well as goodwill and indefinite-lived intangible assets.

During 2012, we executed a series of transactions in order to simplify our ownership interests in other entities prior to the 2012 Acquisition. These transactions included both the purchase and sale of certain stores, as well as the contribution of ten stores in New York and New Jersey by the members of the Predecessor.

Seasonality

Our results are subject to seasonality fluctuations in that member joins are typically higher in January as compared to other months of the year. In addition, our quarterly results may fluctuate significantly because of several factors, including the timing of store openings, timing of price increases for enrollment fees and monthly membership dues and general economic conditions.

The following table sets forth certain unaudited financial information for each quarter during the years ended December 31, 2013 and 2014, and the first quarter of the year ended December 31, 2015. The unaudited quarterly information includes all adjustments (consisting of normal recurring adjustments) that, in the opinion of management, are necessary for a fair presentation of the information presented. This information should be read in conjunction with the consolidated financial statements and related notes thereto included elsewhere in this prospectus. Operating results for interim periods are not necessarily indicative of the results that may be expected for a full fiscal year.

(unaudited, in millions)	For the year ended December 31, 2013				For the year ended December 31, 2014				For the quarter ended
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	March 31, 2015
Total revenues	\$ 44.9	\$ 42.7	\$ 45.9	\$ 77.5	\$ 57.6	\$ 62.7	\$ 63.5	\$ 96.0	\$ 76.9
Operating income	7.1	8.0	8.0	12.9	13.5	14.7	14.0	19.4	14.3
Net income	4.5	5.4	5.6	10.3	6.3	9.0	8.3	13.7	8.5

Our segments

We operate and manage our business in three business segments: Franchise, Corporate-owned stores and Equipment. Our Franchise segment includes operations related to our franchising business in the United States, Puerto Rico and Canada. Our Corporate-owned stores segment includes operations with respect to all corporate-owned stores throughout the United States and Canada. The Equipment segment includes the sale of equipment to franchisee-owned stores. We evaluate the performance of our segments and allocate resources to them based on revenue and earnings before interest, taxes, depreciation and amortization, referred to as Segment EBITDA. See “—Non-GAAP financial measures.” Revenue and Segment EBITDA for all operating segments include only transactions with unaffiliated customers and do not include intersegment transactions. The tables below summarize the financial information for our segments for the period from January 1, 2012 through November 7, 2012, the period from November 8, 2012 through December 31, 2012, the years ended December 31, 2013 and 2014 and the quarters ended March 31, 2014 and 2015. “Corporate and other,” as it relates to Segment EBITDA, primarily includes corporate overhead costs, such as payroll and related benefit costs and professional services that are not directly attributable to any individual segment.

(in millions)	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Years ended December 31,		Quarters ended March 31,	
	(Predecessor)		2013	2014	2014	2015
						(Successor)
Revenue:						
Franchise	\$ 28.4	\$ 6.3	\$ 44.1	\$ 71.9	\$ 16.5	\$ 21.8
Corporate-owned stores	40.4	8.8	67.4	85.0	17.7	23.5
Equipment	49.1	26.7	99.5	122.9	23.4	31.6
Total revenue	<u>\$ 117.9</u>	<u>\$ 41.8</u>	<u>\$ 211.0</u>	<u>\$ 279.8</u>	<u>\$ 57.6</u>	<u>\$ 76.9</u>
Segment EBITDA:						
Franchise	\$ 17.8	\$ 4.9	\$ 30.1	\$ 53.1	\$ 12.8	\$ 13.6
Corporate-owned stores	11.6	2.2	21.7	31.7	6.4	7.8
Equipment	6.7	5.3	19.8	26.4	5.0	6.7
Corporate and other	(5.2)	(0.8)	(7.5)	(18.6)	(4.6)	(6.3)
Total Segment EBITDA	<u>\$ 30.9</u>	<u>\$ 11.6</u>	<u>\$ 64.1</u>	<u>\$ 92.6</u>	<u>\$ 19.6</u>	<u>\$ 21.8</u>

Table of Contents

A reconciliation of income from operations to Segment EBITDA is set forth below:

(in millions)	Franchise	Corporate-owned stores	Equipment	Corporate and other	Total
Period from January 1, 2012 through November 7, 2012 (Predecessor)					
Income from operations	\$ 17.7	\$ 6.0	\$ 6.7	\$ (5.2)	\$ 25.2
Depreciation and amortization	0.1	5.6	—	—	5.7
Other income (expense)	—	—	—	—	—
Segment EBITDA	<u>\$ 17.8</u>	<u>\$ 11.6</u>	<u>\$ 6.7</u>	<u>\$ (5.2)</u>	<u>\$ 30.9</u>
Period from November 8, 2012 through December 31, 2012 (Successor)					
Income from operations	\$ 3.7	\$ —	\$ 1.8	\$ (0.7)	\$ 4.8
Depreciation and amortization	1.2	2.2	3.5	—	6.9
Other income (expense)	—	—	—	(0.1)	(0.1)
Segment EBITDA	<u>\$ 4.9</u>	<u>\$ 2.2</u>	<u>\$ 5.3</u>	<u>\$ (0.8)</u>	<u>\$ 11.6</u>
Year ended December 31, 2013:					
Income from operations	\$ 22.5	\$ 7.9	\$ 12.1	\$ (6.5)	\$ 36.0
Depreciation and amortization	7.6	13.4	7.7	0.1	28.8
Other income (expense)	—	0.4	—	(1.1)	(0.7)
Segment EBITDA	<u>\$ 30.1</u>	<u>\$ 21.7</u>	<u>\$ 19.8</u>	<u>\$ (7.5)</u>	<u>\$ 64.1</u>
Year ended December 31, 2014:					
Income from operations	\$ 44.5	\$ 14.1	\$ 20.2	\$ (17.2)	\$ 61.6
Depreciation and amortization	8.6	17.4	6.2	0.1	32.3
Other income (expense)	—	0.2	—	(1.5)	(1.3)
Segment EBITDA	<u>\$ 53.1</u>	<u>\$ 31.7</u>	<u>\$ 26.4</u>	<u>\$ (18.6)</u>	<u>\$ 92.6</u>
Quarter ended March 31, 2014:					
Income from operations	\$ 10.7	\$ 3.6	\$ 3.5	\$ (4.3)	\$ 13.5
Depreciation and amortization	2.1	2.8	1.5	0.1	6.5
Other income (expense)	—	—	—	(0.4)	(0.4)
Segment EBITDA	<u>\$ 12.8</u>	<u>\$ 6.4</u>	<u>\$ 5.0</u>	<u>\$ (4.6)</u>	<u>\$ 19.6</u>
Quarter ended March 31, 2015:					
Income from operations	\$ 11.3	\$ 3.9	\$ 5.2	\$ (6.1)	\$ 14.3
Depreciation and amortization	2.3	4.3	1.5	0.1	8.2
Other income (expense)	—	(0.4)	—	(0.3)	(0.7)
Segment EBITDA	<u>\$ 13.6</u>	<u>\$ 7.8</u>	<u>\$ 6.7</u>	<u>\$ (6.3)</u>	<u>\$ 21.8</u>

How we assess the performance of our business

In assessing the performance of our business, we consider a variety of performance and financial measures. The key measures for determining how our business is performing include total monthly dues and annual fees from members (which we refer to as system-wide sales), number of new store openings, same store sales for both corporate-owned and franchisee-owned stores, net

member growth per store, average royalty fee percentages for franchisee-owned stores, monthly PF Black Card membership penetration percentage, EBITDA, Adjusted EBITDA and Segment EBITDA. See “—Non-GAAP financial measures” below for our definition of

Table of Contents

EBITDA and Adjusted EBITDA and why we present EBITDA and Adjusted EBITDA, and for a reconciliation of our EBITDA and Adjusted EBITDA to net income, the most directly comparable financial measure calculated and presented in accordance with GAAP.

Total monthly dues and annual fees from members (system-wide sales)

We review the total amount of dues we collect from our members on a monthly basis, which allows us to assess changes in the performance of our corporate-owned stores from period to period, any competitive pressures, local or regional membership traffic patterns and general market conditions that might impact our store performance. We collect monthly dues on or around the 17th of every month. We collect annual fees once per year from each member in February, June or October, depending upon when the member signed his or her membership agreement.

Number of new store openings

The number of new store openings reflects stores opened during a particular reporting period for both corporate-owned and franchisee-owned stores. Opening new stores is an important part of our growth strategy, and we expect the majority of our future new stores will be franchisee-owned. Before we obtain the certificate of occupancy or report any revenue for new corporate-owned stores, we incur pre-opening costs, such as rent expense, labor expense and other operating expenses. Some of our stores open with an initial start-up period of higher than normal marketing and operating expenses, particularly as a percentage of monthly revenue. New stores may not be profitable, and their revenue may not follow historical patterns. The following table shows the growth in our corporate-owned and franchisee-owned store base for the period from January 1, 2012 through November 7, 2012, the period from November 8, 2012 through December 31, 2012, the years ended December 31, 2013 and 2014 and the quarters ended March 31, 2014 and 2015:

	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Years ended December 31,		Quarters ended March 31,	
			2013	2014	2014	2015
Franchisee-owned stores:						
Stores operated at beginning of period	457	526	562	704	704	863
New stores opened	82	36	148	169	36	59
Stores acquired from corporate	3	—	—	—	—	—
Stores debranded, sold or consolidated ⁽¹⁾	(16)	—	(6)	(10)	(8)	(3)
Stores operated at end of period	<u>526</u>	<u>562</u>	<u>704</u>	<u>863</u>	<u>732</u>	<u>919</u>
Corporate-owned stores:						
Stores operated at beginning of period	31	44	44	45	45	55
New stores opened	—	—	1	2	—	2
Stores acquired from franchisees	16	—	—	8	8	—
Stores sold	(3)	—	—	—	—	—
Stores operated at end of period	<u>44</u>	<u>44</u>	<u>45</u>	<u>55</u>	<u>53</u>	<u>57</u>
Total stores:						
Stores operated at beginning of period	488	570	606	749	749	918
New stores opened	82	36	149	171	36	61
Stores debranded, sold or consolidated ⁽¹⁾	—	—	(6)	(2)	—	(3)
Stores operated at end of period	<u>570</u>	<u>606</u>	<u>749</u>	<u>918</u>	<u>785</u>	<u>976</u>

=====

|

=====

=====

=====

=====

=====

Table of Contents

- (1) The term “debrand” refers to a franchisee-owned store whose right to use the Planet Fitness brand and marks has been terminated due to non-compliance with brand standards in accordance with the franchise agreement. We retain the right to prevent debranded stores from continuing to operate as fitness centers.

The term “consolidation” refers to the combination of a franchisee’s store with another store located in close proximity owned by the same franchisee, with our prior approval. This often coincides with an enlargement, re-equipment and/or refurbishment of the remaining store.

Same store sales

Same store sales refers to year-over-year sales comparisons for the same store sales base of both corporate-owned and franchisee-owned stores. We define the same store sales base to include those stores that have been open and for which monthly membership dues have been billed for longer than 12 months. We measure same store sales based solely upon monthly dues billed to members of our corporate-owned and franchisee-owned stores.

Several factors affect our same store sales in any given period, including the following:

- the number of stores that have been in operation for more than 12 months;
- the percentage mix of PF Black Card and standard memberships in any period;
- growth in total memberships per store;
- consumer recognition of our brand and our ability to respond to changing consumer preferences;
- overall economic trends, particularly those related to consumer spending;
- our and our franchisees’ ability to operate stores effectively and efficiently to meet consumer expectations;
- marketing and promotional efforts;
- local competition;
- trade area dynamics; and
- opening of new stores in the vicinity of existing locations.

Consistent with common industry practice, we present same store sales as compared to the same period in the prior year for all stores that have been open and for which monthly membership dues have been billed for longer than 12 months, beginning with the thirteenth month and thereafter, as applicable. Since opening new stores will be a significant component of our revenue growth, same store sales is only one measure of how we evaluate our performance.

Stores acquired from or sold to franchisees are removed from the franchisee-owned or corporate-owned same store sales base, as applicable, upon the ownership change and for the twelve months following the date of the ownership change. These stores are included in the corporate-owned or franchisee-owned same store sales base, as applicable, following the twelfth month after the acquisition or sale. These stores remain in the system-wide same store sales base in all periods.

Table of Contents

The following table shows our quarterly same store sales since 2012:

	Same store sales				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
Franchisee-owned stores					
2012	10.3%	8.2%	7.8%	8.7%	8.7%
2013	9.7%	8.0%	7.9%	10.7%	9.1%
2014	13.6%	11.4%	10.4%	10.8%	11.5%
2015	11.7%	—	—	—	—
Corporate-owned stores					
2012	8.0%	4.7%	4.1%	2.2%	4.8%
2013	7.0%	7.0%	3.8%	7.0%	6.1%
2014	6.1%	5.3%	4.7%	5.5%	5.4%
2015	4.6%	—	—	—	—
System-wide stores					
2012	10.1%	7.9%	7.2%	7.4%	8.1%
2013	8.7%	7.3%	7.3%	10.4%	8.4%
2014	13.0%	10.7%	9.7%	10.2%	10.8%
2015	10.9%	—	—	—	—

The following table shows the number of stores in our same store sales base at the end of each period presented:

	Same store sales				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
Franchisee-owned stores					
2012	378	395	400	433	433
2013	471	493	510	545	545
2014	585	602	624	663	663
2015	722	—	—	—	—
Corporate-owned stores					
2012	29	27	27	26	26
2013	30	30	44	44	44
2014	45	45	45	45	45
2015	45	—	—	—	—
System-wide stores					
2012	408	425	443	476	476
2013	518	538	555	589	589
2014	630	655	677	716	716
2015	775	—	—	—	—

Net member growth per store

Net member growth per store refers to the change in total members in relation to total stores over time. We capture all membership changes daily through our point-of-sale system. We monitor a combination of membership growth, average members per store, average monthly EFT, transfers from or to an individual store location and daily cash collected for enrollment fees related to new members. We seek to make it simple for

Table of Contents

members to join, whether online or in-store, and, while some memberships require a cancellation fee, we offer, and require our franchisees to offer, a non-committal membership option. This approach to memberships is part of our commitment to appeal to new and occasional gym users. As a result, we do not measure membership attrition as an operating metric in assessing our performance. We primarily attribute our membership growth to the growth of our franchisee-owned store base.

Average royalty fee percentages for the franchisee-owned stores

The average royalty fee percentage represents royalties collected by us from our franchisees as a percentage of the monthly membership dues and annual fees that are billed by the franchisees to their member base. We have varying royalty fee structures with our franchisee base, ranging from a fixed monthly fee of \$500 to a royalty of 5% of total monthly EFT and annual membership fees across our franchisee base. Our royalty fee has increased over time to a current rate of 5.0% for new franchisees.

PF Black Card penetration percentage

Our PF Black Card penetration percentage represents the number of our members that have opted to enroll in our PF Black Card membership program as a percentage of our total active membership base. PF Black Card members pay higher monthly membership dues than our standard membership and receive additional benefits for these additional fees. These benefits include access to all of our stores system-wide and access to exclusive areas in our stores that provide amenities such as water massage beds, massage chairs, tanning equipment and more. We view PF Black Card penetration percentage as a critical metric in assessing the performance and growth of our business.

Non-GAAP financial measures

We refer to EBITDA, Adjusted EBITDA and four-wall EBITDA throughout this prospectus, as we use these measures to evaluate our operating performance and we believe these measures are useful to investors in evaluating our operating performance. EBITDA is defined as net income before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as net income before interest, taxes, depreciation and amortization, adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include certain purchase accounting adjustments, management fees, certain IT system upgrade costs, acquisition transaction fees, IPO-related costs, pre-opening costs and certain other charges and gains that we do not believe reflect our underlying business performance. We believe that Adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses that we do not believe reflect our underlying business performance. Four-wall EBITDA is an assessment of store-level profitability for stores included in the same-store-sales base, which adjusts for certain administrative and other items that we do not consider in our evaluation of store-level performance.

EBITDA, Adjusted EBITDA and four-wall EBITDA as presented in this prospectus are supplemental measures of our performance that are neither required by, nor presented in accordance with, GAAP. EBITDA, Adjusted EBITDA and four-wall EBITDA should not be considered as substitutes for GAAP metrics such as net income or any other performance measures derived in accordance with GAAP. Also, in the future we may incur expenses or charges such as those added back to calculate Adjusted EBITDA. Our presentation of EBITDA, Adjusted EBITDA and four-wall EBITDA should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

Table of Contents

A reconciliation of net income to EBITDA and Adjusted EBITDA is set forth below for the periods specified:

(in millions)	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Years ended December 31,		Quarters ended March 31,	
			2013	2014	2014	2015
	(Predecessor)					(Successor)
Net income	\$ 23.2	\$ 2.2	\$ 25.8	\$ 37.3	\$ 6.3	\$ 8.5
Interest expense, net ⁽¹⁾	1.4	2.4	8.9	21.8	6.5	4.8
Provision for income taxes	0.6	0.1	0.6	1.2	0.3	0.3
Depreciation and amortization	5.7	7.0	28.8	32.3	6.5	8.2
EBITDA	30.9	11.7	64.1	92.6	19.6	21.8
Purchase accounting adjustments ⁽²⁾	0.8	—	2.8	2.8	1.7	0.4
Management fees ⁽³⁾	—	0.1	1.1	1.2	0.3	0.3
IT system upgrade costs ⁽⁴⁾	0.4	0.1	2.5	1.2	0.2	3.6
Transaction fees ⁽⁵⁾	2.0	—	0.3	0.6	—	—
IPO-related costs ⁽⁶⁾	—	—	—	0.7	0.1	1.8
Legacy bonus ⁽⁷⁾	4.5	—	—	—	—	—
Pre-opening costs ⁽⁸⁾	0.1	—	0.3	1.7	0.1	0.6
Other ⁽⁹⁾	0.7	—	—	(0.2)	—	—
Adjusted EBITDA	<u>\$ 39.4</u>	<u>\$ 11.9</u>	<u>\$ 71.1</u>	<u>\$ 100.6</u>	<u>\$ 22.0</u>	<u>\$ 28.5</u>

(1) Includes \$4.7 million of loss on extinguishment of debt in 2014.

(2) Represents the impact of certain purchase accounting adjustments associated with the 2012 Acquisition of Pla-Fit Holdings, LLC on November 8, 2012 and our acquisition of eight franchisee-owned stores during 2014. These are primarily related to fair value adjustments to deferred revenue and deferred rent.

(3) Represents management fees and expenses paid to a management company affiliated with TSG pursuant to a management services agreement that will terminate in connection with this offering. See "Certain relationships and related party transactions—Related party agreements in effect prior to this offering—Management services agreement."

(4) Represents costs associated with certain IT system upgrades, primarily related to our point-of-sale systems.

(5) Represents transaction fees and expenses primarily related to business acquisitions and dispositions.

(6) Represents legal, accounting and other costs incurred in preparation for this offering.

(7) Relates primarily to bonuses for certain employees at the time of the 2012 Acquisition that were paid by the members of the Predecessor, which according to accounting rules applicable to us must be reported in our results.

(8) Represents costs associated with new corporate-owned stores incurred prior to the store opening, including payroll-related costs, rent and occupancy expenses, marketing and other store operating supply expenses.

(9) Represents certain other charges and gains that we do not believe reflect our underlying business performance. These charges consisted primarily of severance in 2011, severance offset by the gain from the sale of two stores to a franchisee in 2012 and the net gain recorded from the receipt of insurance proceeds related to restoration and business interruption costs from the flood that occurred in our Bayshore, New York store in October 2014.

Table of Contents

The following table reconciles corporate-owned segment EBITDA to four-wall EBITDA for the year ended December 31, 2014:

	Year ended December 31,		
	Revenue	EBITDA	EBITDA Margin
Corporate-owned stores segment	\$ 85.0	\$ 31.7	37.3%
New stores ⁽¹⁾	(0.4)	1.5	
Selling, general and administrative ⁽²⁾	—	2.3	
Impact of eliminations ⁽³⁾	—	(1.6)	
Purchase accounting adjustments ⁽⁴⁾	(0.5)	0.6	
Four-wall EBITDA for corporate-owned stores	\$ 84.1	34.5	41.0%
Royalty adjustment ⁽⁵⁾		(3.8)	
Four-wall EBITDA less royalty adjustment		\$ 30.7	36.5%

(1) Includes the impact of stores open less than 13 months and those which have not yet opened.

(2) Reflects administrative costs attributable to the corporate-owned stores segment but not directly related to store operations.

(3) Reflects intercompany charges for royalties and other fees which eliminate in consolidation.

(4) Represents the impact of certain purchase accounting adjustments associated with the 2012 Acquisition of Pla-Fit Holdings, LLC on November 8, 2012 and our acquisition of eight franchisee-owned stores during 2014. These are primarily related to fair value adjustments to deferred revenue and deferred rent.

(5) Includes the effect of royalties paid by the franchisee at a rate of 5% per our current franchisee agreement.

Results of operations

The following table sets forth our consolidated statements of operations as a percentage of revenue for the period from January 1, 2012 through November 7, 2012, the period from November 8, 2012 through December 31, 2012, the years ended December 31, 2013 and 2014 and the quarters ended March 31, 2014 and 2015:

	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Years ended December 31,		Quarters ended March 31,	
			2013	2014	2014	2015
	(Predecessor)					(Successor)
Revenue:						
Franchise revenue	18.1%	10.5%	16.0%	20.7%	21.7%	22.1%
Commission income	6.0%	4.6%	4.9%	5.0%	6.9%	6.2%
Franchise segment	24.1%	15.1%	20.9%	25.7%	28.6%	28.3%
Corporate-owned stores segment	34.3%	21.1%	31.9%	30.4%	30.7%	30.6%
Equipment segment	41.6%	63.8%	47.2%	43.9%	40.7%	41.1%
Total revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating costs and expenses:						
Cost of revenue	34.8%	51.5%	38.6%	35.9%	33.3%	33.8%
Store operations	24.1%	14.1%	19.8%	17.7%	18.2%	18.6%
Selling, general and administrative	16.5%	6.2%	10.9%	12.5%	11.5%	18.3%
Depreciation and amortization	4.8%	16.7%	13.6%	11.5%	11.3%	10.7%
Other (gains) losses	(1.6%)	0.0%	0.0%	0.4%	2.3%	0.0%
Total operating costs and expenses	78.6%	88.5%	82.9%	78.0%	76.6%	81.4%
Income from operations	21.4%	11.5%	17.1%	22.0%	23.4%	18.6%
Other income (expense), net:						
Interest income	0.8%	0.2%	0.2%	0.2%	0.2%	0.3%
Interest expense	(2.0%)	(6.0%)	(4.5%)	(7.9%)	(11.5%)	(6.6%)
Other expense	0.0%	(0.2%)	(0.3%)	(0.5%)	(0.7%)	(0.9%)
Total other expense, net	(1.2%)	(6.0%)	(4.6%)	(8.2%)	(12.0%)	(7.2%)
Income before provision for income taxes	20.2%	5.5%	12.5%	13.8%	11.5%	11.4%
Provision for income taxes	0.5%	0.2%	0.3%	0.4%	0.6%	0.4%
Net income	19.7%	5.3%	12.2%	13.4%	10.9%	11.0%
Less net income attributable to noncontrolling interests	0.9%	0.0%	0.2%	0.2%	0.3%	0.1%
Net income attributable to members of Pla-Fit Holdings, LLC	18.8%	5.3%	12.0%	13.2%	10.6%	10.9%

Table of Contents

The following table sets forth a comparison of our consolidated statements of operations for the period from January 1, 2012 through November 7, 2012, the period from November 8, 2012 through December 31, 2012, the years ended December 31, 2013 and 2014, and the quarters ended March 31, 2014 and 2015:

(in millions)	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Years ended December 31,		Quarter ended March 31,	
			2013	2014	2014	2015
	(Predecessor)	(Successor)	(Successor)	(Successor)	(Successor) (unaudited)	(Successor) (unaudited)
Revenue:						
Franchise revenue	\$ 21.3	\$ 4.4	\$ 33.7	\$ 58.0	\$ 12.5	\$ 17.0
Commission income	7.1	1.9	10.4	13.9	4.0	4.8
Franchise segment	28.4	6.3	44.1	71.9	16.5	21.8
Corporate-owned stores segment	40.4	8.8	67.4	85.0	17.7	23.5
Equipment segment	49.1	26.7	99.5	122.9	23.4	31.6
Total revenue	117.9	41.8	211.0	279.8	57.6	76.9
Operating costs and expenses:						
Cost of revenue	41.0	21.5	81.4	100.3	19.2	26.0
Store operations	28.4	5.9	41.7	49.5	10.5	14.3
Selling, general and administrative	19.5	2.6	23.1	35.1	6.6	14.1
Depreciation and amortization	5.7	7.0	28.8	32.3	6.5	8.2
Other (gains) losses	(1.9)	—	—	1.0	1.3	—
Total operating costs and expenses	92.7	37.0	175.0	218.2	44.1	62.6
Income from operations	25.2	4.8	36.0	61.6	13.5	14.3
Other income (expense), net:						
Interest income	0.9	0.1	0.5	0.4	0.1	0.2
Interest expense	(2.3)	(2.5)	(9.4)	(22.2)	(6.6)	(5.0)
Other expense	—	(0.1)	(0.7)	(1.3)	(0.4)	(0.7)
Total other expense, net	(1.4)	(2.5)	(9.6)	(23.1)	(6.9)	(5.5)
Income before provision for income taxes	23.8	2.3	26.4	38.5	6.6	8.8
Provision for income taxes	0.6	0.1	0.6	1.2	0.3	0.3
Net income	23.2	2.2	25.8	37.3	6.3	8.5
Less net income attributable to noncontrolling interests	1.0	—	0.4	0.5	0.2	0.1
Net income attributable to members of Pla-Fit Holdings, LLC	\$ 22.2	\$ 2.2	\$ 25.4	\$ 36.8	\$ 6.1	\$ 8.4

Table of Contents

Franchise revenue was \$17.0 million in the quarter ended March 31, 2015, compared to \$12.5 million in the quarter ended March 31, 2014, an increase of \$4.5 million, or 36.0%. Included in franchise revenue is royalty revenue of \$10.5 million, franchise and other fees of \$4.5 million, and placement revenue of \$2.0 million for the quarter ended March 31, 2015, compared to royalty revenue of \$6.9 million, franchise and other fees of \$4.0 million, and placement revenue of \$1.6 million for the quarter ended March 31, 2014. The \$3.6 million increase in royalty revenue was primarily driven by \$1.8 million attributable to royalties from an additional 56 stores in the quarter ended March 31, 2015 that have opened since March 31, 2014, and \$1.3 million attributable to a same store sales increase of 11.7% in franchisee-owned stores.

Commission income was \$4.8 million in the quarter ended March 31, 2015, compared to \$4.0 million in the quarter ended March 31, 2014, an increase of \$0.8 million, or 20.0%. This increase was primarily due to a higher volume of franchisee purchases from vendors due to the higher franchisee-owned store count in 2015 as compared to the quarter ended March 31, 2014.

Revenue from our corporate-owned stores segment was \$23.5 million in the quarter ended March 31, 2015, compared to \$17.7 million in the quarter ended March 31, 2014, an increase of \$5.8 million, or 32.8%. The acquisition of eight franchisee-owned stores on March 31, 2014 and not included in the prior year quarter results led to an increase in revenue of \$4.2 million. Additionally, same store sales from corporate-owned stores increased 4.6% in the quarter ended March 31, 2015, which contributed incremental revenues of \$0.7 million. Revenue for stores opened since March 31, 2014 and not included in the same store sales base led to an increase in revenue of \$0.7 million in the quarter ended March 31, 2015.

Equipment segment revenue was \$31.6 million in the quarter ended March 31, 2015, compared to \$23.4 million in the quarter ended March 31, 2014, an increase of \$8.2 million, or 35.0%. This increase was driven by equipment sales to 12 more franchisee-owned stores in the quarter ended March 31, 2015, as compared to the quarter ended March 31, 2014.

Cost of revenue

Cost of revenue was \$26.0 million in the quarter ended March 31, 2015 compared to \$19.2 million in the quarter ended March 31, 2014, an increase of \$6.8 million, or 35.4%. Cost of revenue primarily relates to our equipment segment and increased primarily due to equipment sales to 12 more new franchisee-owned stores in the quarter ended March 31, 2015, as compared to the quarter ended March 31, 2014. The increase in costs is consistent with the increase in equipment revenue.

Store operations

Store operation expenses, which relates to our corporate-owned stores segment, were \$14.3 million in the quarter ended March 31, 2015 compared to \$10.5 million in the quarter ended March 31, 2014, an increase of \$3.8 million, or 36.2%. Approximately \$2.1 million of this increase was a result of the acquisition of eight stores from a franchisee in March 2014 and not included in the prior year quarter. In addition, we incurred costs and expenses attributable to four new corporate-owned stores opened since March 31, 2014 and included in the current year quarter. We also incurred pre-opening costs of \$0.6 million related to one new store that opened during the quarter and one new store that opened shortly after the quarter ended March 31, 2015.

Selling, general and administrative expenses

Selling, general and administrative expenses were \$14.1 million in the quarter ended March 31, 2015 compared to \$6.6 million in the quarter ended March 31, 2014, an increase of \$7.5 million, or 113.6%. Of the \$7.5 million increase, \$3.7 million was related to increased information technology spend which was primarily attributable

Table of Contents

to the rollout of a new point-of-sale system. The point-of-sale system rollout began in late 2014 and was substantially completed by March 31, 2015. In addition, we incurred additional expenses to support our growing franchisee operations, including additional headcount and infrastructure to provide training, development, pre-opening support and store operational excellence functions. We anticipate that our selling, general and administrative expenses will continue to increase as our franchisee-owned store count grows. We also incurred increased costs associated with preparing to be a publicly traded company, including \$1.4 million which we were not able to capitalize because we did not expect to receive proceeds in this offering, which will continue to increase. We anticipate that we will incur additional expenses in the future due to equity-based and other compensation costs that will be recognized in connection with and subsequent to this offering.

Depreciation and amortization

Depreciation and amortization expense consists of the depreciation of property and equipment, including leasehold and building improvements and equipment. Amortization expense consists of amortization related to our intangible assets, including customer relationships and non-compete agreements with former members of the Predecessor.

Depreciation and amortization expense was \$8.2 million in the quarter ended March 31, 2015 compared to \$6.5 million in the quarter ended March 31, 2014, an increase of \$1.7 million, or 26.2%, primarily due to the increased amortization of intangible assets related to the acquisition of eight stores from a franchisee in March 2014.

Other loss

Other loss decreased by \$1.3 million in the quarter ended March 31, 2015 compared to the quarter ended March 31, 2014. The other loss in 2014 was primarily the result of the effective settlement of reacquired franchise rights related to the acquisition of eight stores from a franchisee in March 2014.

Interest income

Interest income primarily consists of interest earned on notes receivable and is immaterial in both quarters.

Interest expense

Interest expense primarily consists of interest on long-term debt as well as the amortization of deferred financing costs.

Interest expense was \$5.0 million in the quarter ended March 31, 2015 compared to \$6.6 million in the quarter ended March 31, 2014, a decrease of \$1.6 million, or 24.2%. This \$1.6 million decrease was primarily attributable to the \$4.7 million write-off of debt issuance costs in March 2014 in connection with the March 2014 refinancing. This was offset by the increase in interest expense associated with the March 2014 refinancing. We expect interest expense to increase compared to the quarter ended March 31, 2015 as a result of the additional \$120.0 million in borrowings as of March 31, 2015.

Other income (expense)

Other income (expense) primarily consists of management fees we paid to our Sponsor, realized gains (losses) on derivative activities, as well as the effects of foreign currency gains and losses.

Table of Contents

Provision for income taxes

Pla-Fit Holdings, LLC is currently treated as a pass-through entity for U.S. federal income tax purposes as well as in most states. As a result, entity level taxes are not significant. Provision for income taxes consists of tax expense primarily related to the state of New Hampshire and Canada as well as certain other local taxes. We are also subject to tax withholding in Puerto Rico. See “—Critical accounting policies and estimates—Income taxes.”

Segment results

Franchise

Segment EBITDA for the franchise segment was \$13.6 million in the quarter ended March 31, 2015 compared to \$12.8 million in the quarter ended March 31, 2014, an increase of \$0.8 million, or 6.2%. This increase was primarily the result of growth in our franchise segment revenue of \$5.3 million due to higher royalties received from additional franchisee-owned stores opened in 2014, continued growth in royalties from stores opened in 2013 and higher vendor commissions, offset by higher operating expenses. Depreciation and amortization was \$2.3 million in the quarter ended March 31, 2015, compared to \$2.1 million for the quarter ended March 31, 2014.

Corporate-owned stores

Segment EBITDA for the corporate-owned stores segment was \$7.8 million in the quarter ended March 31, 2015 compared to \$6.4 million in the quarter ended March 31, 2014, an increase of \$1.4 million, or 21.9%, primarily from the acquisition of eight franchisee-owned stores on March 31, 2014 and the increase in same store sales. Depreciation and amortization was \$4.3 million for the quarter ended March 31, 2015, compared to \$2.8 million for the quarter ended March 31, 2014. The increase relates to the eight franchisee-owned stores acquired on March 31, 2014.

Equipment

Segment EBITDA for the equipment segment was \$6.7 million in the quarter ended March 31, 2015 compared to \$5.0 million in the quarter ended March 31, 2014, an increase of \$1.7 million, or 34.0%, primarily as a result of equipment sales to 12 more new franchisee-owned stores in the quarter ended March 31, 2015 compared to the quarter ended March 31, 2014. Depreciation and amortization was consistent at \$1.5 million for both periods.

Comparison of the years ended December 31, 2014 and December 31, 2013

Revenue

Total revenue was \$279.8 million in 2014 compared to \$211.0 million for 2013, an increase of \$68.8 million, or 32.6%.

Franchise segment revenue was \$71.9 million in 2014, compared to \$44.1 million in 2013, an increase of \$27.8 million, or 63.0%.

Franchise revenue was \$58.0 million in 2014, compared to \$33.7 million in 2013, an increase of \$24.3 million, or 72.1%. Included in franchise revenue is royalty revenue of \$32.7 million, franchise and other fees of \$16.8 million, and placement revenue of \$8.5 million for 2014, compared to royalty revenue of \$21.0 million, franchise and other fees of \$6.4 million, and placement revenue of \$6.3 million for 2013. Of the \$11.7 million increase in royalty revenue, \$6.8 million was from new stores opened in 2014 as well as stores that opened in 2013 and were therefore not included in the same store sales base, which collectively resulted in a higher average royalty rate. Additionally, franchisee-owned same store sales increased 11.5% in 2014, resulting in an increase in

Table of Contents

royalty revenue of \$3.9 million. These two drivers are expected to continue to increase our average royalty rate over time. The franchise and other fees increase of \$10.4 million was primarily associated with a higher volume of franchisee membership billing transactions for which a fee was earned as well as more franchisee-owned stores in 2014 as compared to 2013.

Commission income was \$13.9 million in 2014, compared to \$10.4 million in 2013, an increase of \$3.5 million, or 33.7%. This increase primarily reflects a higher volume of franchisee purchases from vendors due to the higher franchisee-owned store count in 2014 as compared to 2013.

Revenue from our corporate-owned stores segment was \$85.0 million in 2014 compared to \$67.4 million in 2013, an increase of \$17.6 million, or 26.1%. The acquisition of eight franchisee-owned stores on March 31, 2014 led to an increase in revenue of \$12.2 million. Additionally, same store sales from corporate-owned stores increased 5.4% in 2014, which contributed incremental revenues of \$3.1 million in 2014. Revenue for stores not included in the same store sales base led to an increase in revenue of \$0.5 million in 2014.

Equipment segment revenue was \$122.9 million in 2014 compared to \$99.5 million in 2013, an increase of \$23.4 million, or 23.5%, as a result of equipment sales to 34 more new stores in 2014 as compared to 2013 and an increase in replacement equipment revenue of \$1.8 million from sales to existing franchisee-owned stores in 2014.

Cost of revenue

Cost of revenue was \$100.3 million in 2014 compared to \$81.4 million in 2013, an increase of \$18.9 million, or 23.2%. Cost of revenue primarily relates to our equipment segment. The increase was primarily the impact of 34 more new franchisee-owned stores purchasing equipment in 2014 as compared to 2013 as well as the result of an increase in replacement equipment sales to existing franchisee-owned stores. The increase in costs is consistent with the increase in equipment revenue. Direct costs related to our proprietary point-of-sale system were \$3.4 million in 2014 and \$1.1 million in 2013. We expect these costs to be immaterial in future periods as we migrated to a new system in 2015.

Store operations

Store operations, which relates to our corporate-owned stores segment, were \$49.5 million in 2014 compared to \$41.7 million in 2013, an increase of \$7.8 million, or 18.7%. Approximately \$6.2 million of this increase was a result of the acquisition of eight stores from a franchisee in March 2014. In addition, we incurred costs and expenses attributable to new corporate-owned stores opened in 2014 and pre-opening costs related to one store that opened shortly after year-end. The increase in store operations costs is consistent with the increase in related corporate-owned store revenue.

Selling, general and administrative expenses

Selling, general and administrative expenses were \$35.1 million in 2014 compared to \$23.1 million in 2013, an increase of \$12.0 million, or 51.9%. This increase is primarily attributable to increases in payroll of \$5.3 million and other related infrastructure changes of \$6.8 million in 2014 to support our growing franchisee operations, including additional headcount needed to provide training, development, pre-opening support and store operational compliance functions. We anticipate that our selling, general and administrative expenses will increase as our franchisee-owned store count grows and due to the increased costs associated with being a publicly traded company, as well as due to equity-based compensation costs recognized in connection with and subsequent to this offering.

Table of Contents

Depreciation and amortization

Depreciation and amortization expense consists of the depreciation of property and equipment, including leasehold and building improvements and equipment. Amortization expense consists of amortization related to our intangible assets, including customer relationships and non-compete agreements with former members of the Predecessor.

Depreciation and amortization expense was \$32.3 million in 2014 compared to \$28.8 million in 2013, an increase of \$3.5 million, or 12.2%, primarily due to the increased amortization of intangible assets related to the acquisition of eight stores from a franchisee in March 2014.

Other loss

Other loss increased by \$1.0 million in 2014 compared to 2013. The increase in other loss was primarily the result of the effective settlement of reacquired franchise rights related to the acquisition of eight stores from a franchisee in March 2014.

Interest income

Interest income primarily consists of interest earned on notes receivable and is immaterial in both years.

Interest expense

Interest expense primarily consists of interest on long-term debt as well as the amortization of deferred financing costs.

Interest expense was \$22.2 million in 2014 compared to \$9.4 million in 2013, an increase of \$12.8 million, or 136.2%. The increase was primarily attributable to the increase in our indebtedness as a result of the refinancing in March 2014. Additionally, the increase includes \$4.7 million related to the write-off of debt issuance costs as a result of this refinancing, which was accounted for as an extinguishment.

Other income (expense)

Other income (expense) primarily consists of management fees we paid to our Sponsor, realized gains (losses) on derivative activities, as well as the effects of foreign currency gains and losses.

Provision for income taxes

Pla-Fit Holdings, LLC is currently treated as a pass-through entity for U.S. federal income tax purposes as well as in most states. As a result, entity level taxes are not significant. Provision for income taxes consists of tax expense primarily related to the state of New Hampshire and Canada as well as certain other local taxes. We are also subject to tax withholding in Puerto Rico. See “—Critical accounting policies and estimates—Income taxes.”

Segment results

Franchise

Segment EBITDA for the franchise segment was \$53.1 million in 2014 compared to \$30.1 million in 2013, an increase of \$23.0 million, or 76.4%. This increase was primarily the result of growth in franchise revenue of \$27.8 million due to higher royalties received from additional franchisee-owned stores opened in 2014,

Table of Contents

continued growth in royalties from stores opened in 2013 and higher vendor commissions. Depreciation and amortization was \$8.6 million in 2014 compared to \$7.6 million in 2013, an increase of \$1.0 million, or 13.2%.

Corporate-owned stores

Segment EBITDA for the corporate-owned stores segment was \$31.7 million in 2014 compared to \$21.7 million in 2013, an increase of \$10.0 million, or 46.1%, primarily due to the acquisition of eight franchisee-owned stores on March 31, 2014 and the increase in same store sales. Depreciation and amortization was \$17.4 million in 2014 compared to \$13.4 million in 2013, an increase of \$4.0 million, or 29.9%. The increase is attributable to depreciation and amortization expense from the acquisition of eight franchisee-owned stores on March 31, 2014.

Equipment

Segment EBITDA for the equipment segment was \$26.4 million in 2014 compared to \$19.8 million in 2013, an increase of \$6.6 million, or 33.3%, primarily as a result of equipment sales to 34 new franchisee-owned stores in 2014 as compared to 2013. Depreciation and amortization was \$6.2 million in 2014 compared to \$7.7 million in 2013, a decrease of \$1.5 million, or 19.5%.

Comparison of the year ended December 31, 2013, the period from November 8, 2012 through December 31, 2012 (2012 Successor Period), and the period from January 1, 2012 through November 7, 2012 (2012 Predecessor Period)

Revenue

Total revenue was \$211.0 million in 2013 compared to \$41.8 million for the 2012 Successor Period and \$117.9 million for the 2012 Predecessor Period.

Franchise segment revenue was \$44.1 million in 2013, compared to \$6.3 million in the 2012 Successor Period and \$28.4 million in the 2012 Predecessor Period.

Franchise revenue was \$33.7 million in 2013, compared to \$4.4 million for the 2012 Successor Period and \$21.3 million for the 2012 Predecessor Period. Included in franchise revenue is royalty revenue of \$21.0 million, franchise and other fees of \$6.4 million, and placement revenue of \$6.3 million for 2013, royalty revenue of \$2.1 million, franchise and other fees of \$1.0 million, and placement revenue of \$1.3 million for the 2012 Successor Period, and royalty revenue of \$11.1 million, franchise and other fees of \$6.6 million, and placement revenue of \$3.6 million for the 2012 Predecessor Period. Royalties from new stores opened in 2013 as well as stores that opened in 2012 and were therefore not included in same store sales led to \$4.7 million in incremental revenue in 2013. Additionally, franchisee-owned same store sales increased 9.1% in 2013, resulting in an increase in royalty revenue of \$2.9 million.

Commission income was \$10.4 million in 2013 compared to \$1.9 million in the 2012 Successor Period and \$7.1 million in the 2012 Predecessor Period.

Revenue from our corporate-owned stores segment was \$67.4 million in 2013 compared to \$8.8 million in the 2012 Successor Period and \$40.4 million in the 2012 Predecessor Period. The increase is primarily attributable to stores acquired from franchisees in 2012, resulting in \$14.9 million in incremental revenue in 2013. Same store sales from corporate-owned stores increased 6.1% in 2013, which contributed incremental revenue of \$2.5 million. Revenue for stores not included in the same store sales base led to an increase of \$0.8 million in 2013.

Table of Contents

Equipment segment revenue was \$99.5 million in 2013 compared to \$26.7 million in the 2012 Successor Period and \$49.1 million in the 2012 Predecessor Period. The increase is a result of equipment sales to 29 more new stores in 2013 and an increase in replacement equipment revenue of \$7.3 million to existing franchisee-owned stores.

Cost of revenue

Cost of revenue, which primarily relates to our equipment segment, was \$81.4 million in 2013 compared to \$21.5 million in the 2012 Successor Period and \$41.0 million in the 2012 Predecessor Period. The increase was primarily a result of 29 more new stores purchasing equipment in 2013 and an increase in replacement equipment sales to existing franchisee-owned stores. The increase in costs is consistent with the increase in equipment revenue. Direct costs related to our proprietary point-of-sale systems were \$1.1 million in 2013 and none in either period in 2012.

Store operations

Store operations, which relates to our corporate-owned stores segment, were \$41.7 million in 2013 compared to \$5.9 million in the 2012 Successor Period and \$28.4 million in the 2012 Predecessor Period. This increase was primarily due to increased costs of \$9.0 million attributable to stores acquired in the 2012 Predecessor Period from franchisees. Additionally, we incurred \$1.4 million of costs and expenses attributable to one new store that opened in 2013. The increase in costs is consistent with the increase in related corporate-owned store revenue.

Selling, general and administrative expenses

Selling, general and administrative expenses were \$23.1 million in 2013 compared to \$2.6 million in the 2012 Successor Period and \$19.5 million for the 2012 Predecessor Period. This increase is primarily attributable to increases in costs related to expanding infrastructure to support our growth in 2013, including payroll of \$3.6 million, IT system upgrade costs of \$1.9 million and other costs to support our growing franchisee operations. These increases were partially offset by a decrease in payroll, legal and consulting costs of \$6.6 million related to the 2012 Acquisition in the 2012 Successor Period.

Depreciation and amortization

Depreciation and amortization expense was \$28.8 million in 2013 compared to \$7.0 million in the 2012 Successor Period and \$5.7 million in the 2012 Predecessor Period. The increase is primarily due to the increased amortization of intangible assets recorded in connection with the 2012 Acquisition.

Other loss (gain)

Other loss (gain) was \$0 in 2013 and the 2012 Successor Period and a gain of \$1.9 million for the 2012 Predecessor Period. The gain in the 2012 Predecessor Period was primarily a result of the sale of three stores to a franchisee.

Interest income

Interest income was \$0.5 million in 2013 compared to \$0.1 million in the 2012 Successor Period and \$0.9 million in the 2012 Predecessor Period. The decrease is a result of certain notes receivable being paid in full during the 2012 Predecessor Period.

Table of Contents

Interest expense

Interest expense was \$9.4 million in 2013 compared to \$2.5 million in the 2012 Successor Period and \$2.3 million in the 2012 Predecessor Period. The increase reflects a full year of interest on the long-term debt issued in December 2012.

Other income (expense)

Other income (expense) was not material in these periods.

Provision for income taxes

Provision for income taxes was not material in these periods.

Segment results

Franchise

Segment EBITDA for the franchise segment was \$30.1 million in 2013 compared to \$4.9 million in the 2012 Successor Period and \$17.8 million in the 2012 Predecessor Period. The increase is a result of an increase in royalties received from new franchisee-owned stores opened in 2013 as well as continued growth in royalties from franchisee-owned stores opened in 2012. Depreciation and amortization was \$7.6 million in 2013 compared to \$1.2 million in the 2012 Successor Period and \$0.1 million in the 2012 Predecessor period. The increase is primarily related to the amortization of intangible assets recorded in connection with the 2012 Acquisition.

Corporate-owned stores

Segment EBITDA for the corporate-owned stores segment was \$21.7 million in 2013 compared to \$2.2 million in the 2012 Successor Period and \$11.6 million in the 2012 Predecessor Period, primarily due to an increase in corporate-owned same store sales and one new corporate-owned store that opened in 2013. Depreciation and amortization was \$13.4 million in 2013 compared to \$2.2 million in the 2012 Successor Period and \$5.6 million in the 2012 Predecessor Period. The increase in 2013 is primarily attributable to depreciation expense from stores acquired from franchisees in 2012.

Equipment

Segment EBITDA for the equipment segment was \$19.8 million in 2013 compared to \$5.3 million in the 2012 Successor Period and \$6.7 million in the 2012 Predecessor Period, primarily as a result of equipment sales to 29 more new franchisee-owned stores in 2013 as compared to 2012. Depreciation and amortization was \$7.7 million in 2013 compared to \$3.5 million in the 2012 Successor Period and \$0 in the 2012 Predecessor Period. The increase is primarily related to the amortization of intangible assets recorded in connection with the 2012 Acquisition.

Liquidity and capital resources

As of March 31, 2015, we held \$27.5 million of cash and cash equivalents. In addition, as of March 31, 2015, we had borrowing capacity of \$40.0 million under our revolving credit facility.

Table of Contents

We require cash principally to fund day-to-day operations, to finance capital investments, to service our outstanding debt and to address our working capital needs. Based on our current level of operations and anticipated growth, we believe that the cash generated from our operations and amounts available under our revolving credit facility will be adequate to meet our anticipated debt service requirements, capital expenditures and working capital needs for at least the next twelve months. We believe that we will be able to meet these obligations even if we experience no growth in sales or profits. Our ability to continue to fund these items and continue to reduce debt could be adversely affected by the occurrence of any of the events described under "Risk factors." There can be no assurance, however, that our business will generate sufficient cash flows from operations or that future borrowings will be available under our revolving credit facility or otherwise to enable us to service our indebtedness, including our senior secured credit facility, or to make anticipated capital expenditures. Our future operating performance and our ability to service, extend or refinance the senior secured credit facility will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control.

The following table presents summary cash flow information for the period from January 1, 2012 through November 7, 2012, the period from November 8, 2012 through December 31, 2012, the years ended December 31, 2013 and 2014 and the quarters ended March 31, 2014 and 2015:

	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Years ended December 31,		Quarters ended March 31,	
(In millions)			2013	2014	2014	2015
Net cash provided by (used in):						
Operating activities	\$ 30.5	\$ 12.5	\$ 66.9	\$ 79.4	\$ 8.2	\$ 12.0
Investing activities	(16.7)	(216.1)	(7.1)	(54.4)	(39.5)	(5.3)
Financing activities	(5.8)	192.4	(38.0)	(13.0)	15.0	(22.5)
Net (decrease) increase in cash	\$ 8.0	\$ (11.2)	\$ 21.8	\$ 12.0	\$ (16.3)	\$ (15.8)

Operating activities

For the quarter ended March 31, 2015, net cash provided by operating activities was \$12.0 million compared to \$8.2 million in the quarter ended March 31, 2014, an increase of \$3.8 million, and was primarily due to higher net income and a decrease in accounts receivable in the quarter ended March 31, 2015, partially offset by the loss on extinguishment of debt in the quarter ended March 31, 2014.

For 2014, net cash provided by operating activities was \$79.4 million compared to \$66.9 million in 2013, an increase of \$12.5 million, and was primarily due to higher net income in 2014 and, to a lesser degree, higher accounts payable, other accrued expenses and equipment deposits offset by higher accounts receivable. For 2013, net cash provided by operating activities was \$66.9 million compared to \$12.5 million in the 2012 Successor Period and \$30.5 million in the 2012 Predecessor Period. The higher 2013 net cash provided by operating activities was primarily due to higher net income and an increase in accounts payable and accrued expenses in 2013.

Table of Contents

Investing activities

Cash flow used in investing activities related to the following capital expenditures for the period from January 1, 2012 through November 7, 2012, the period from November 8, 2012 through December 31, 2012, the years ended December 31, 2013 and 2014 and the quarters ended March 31, 2014 and 2015:

(In millions)	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Years ended December 31,		Quarters ended March 31,	
			2013	2014	2014	2015
New and relocated corporate-owned stores and corporate-owned stores not yet opened	\$ 0.7	\$ 0.7	\$ 2.0	\$ 7.1	\$ —	\$ 4.1
Existing corporate-owned stores	3.0	0.1	4.7	6.8	0.6	1.0
Information systems	0.4	0.1	0.4	1.5	—	0.1
Corporate and all other	0.2	—	0.2	1.3	0.2	0.1
Total capital expenditures	\$ 4.3	\$ 0.9	\$ 7.3	\$ 16.7	\$ 0.8	\$ 5.3

For the quarter ended March 31, 2015, net cash used in investing activities was \$5.3 million compared to \$39.5 million in the quarter ended March 31, 2014, a decrease of \$34.2 million, and was primarily due to the acquisition of eight franchisee-owned stores on March 31, 2014 for \$38.6 million. This decrease was partially offset by higher capital expenditures related to new corporate-owned stores in the quarter ended March 31, 2015.

For 2014, net cash used in investing activities was \$54.4 million compared to \$7.1 million in 2013, an increase of \$47.3 million, and was primarily due to the acquisition of eight franchisee-owned stores on March 31, 2014 for \$38.6 million. Additionally, capital expenditures increased due to our three new corporate-owned stores and higher replacement equipment for corporate-owned stores during 2014 compared to 2013. For 2013, net cash used in investing activities was \$7.1 million compared to \$216.1 million in the 2012 Successor Period and \$16.7 million in the 2012 Predecessor Period. Cash used in investing activities in the 2012 Successor Period was primarily due to cash used in the 2012 Acquisition of \$215.3 million.

We currently estimate that our capital expenditures will be between \$15.0 million and \$20.0 million in 2015. For the remainder of 2015, we plan to open one additional corporate-owned store and continue to invest in the infrastructure required to support our long-term goals.

Financing activities

For the quarter ended March 31, 2015, net cash used in financing activities was \$22.5 million compared to net cash provided by financing activities of \$15.0 million in the quarter ended March 31, 2014, a difference of \$37.5 million. Proceeds from the issuance of debt was \$120.0 million in the quarter ended March 31, 2015 compared to proceeds of \$390.0 million in the quarter ended March 31, 2014, partially offset by the repayment of existing outstanding debt of \$182.9 million in the quarter ended March 31, 2014. Additionally, member distributions were \$139.7 million in the quarter ended March 31, 2015 compared to \$183.8 million in the quarter ended March 31, 2014.

For 2014, net cash used in financing activities was \$13.0 million compared to \$38.0 million in 2013, a decrease of \$25.0 million, and was primarily due to the refinancing of debt with proceeds from the issuance of new long-term debt of \$390.0 million, partially offset by the repayment of the existing debt outstanding of \$185.8 million. Additionally, we made distributions to our members in 2014 in the amount of \$205.4 million, an increase of

Table of Contents

\$182.3 million. For 2013, net cash used in financing activities was \$38.0 million compared to net cash provided by financing activities in the 2012 Successor Period of \$192.4 million and net cash used in financing activities in the 2012 Predecessor Period of \$5.8 million. In the 2012 Successor Period, we received proceeds from a new credit facility of \$190.0 million, partially offset by the repayment of \$165.0 million of interim financing payable from TSG to the members of our Predecessor, in connection with the 2012 Acquisition. Additionally, successor capital contributions, net of cash acquired of \$215.3 million increased cash provided by financing activities in the 2012 Successor Period.

On March 31, 2014, we consummated a refinancing transaction whereby we borrowed \$390.0 million in term loans and obtained a new \$40.0 million revolving credit facility from a consortium of banks. The proceeds were primarily used to repay \$180.9 million in outstanding debt, issue a \$173.9 million dividend to members and acquire eight stores from a franchisee.

On March 31, 2015, we amended our credit agreement governing our senior secured credit facility primarily to provide for an increase of \$120.0 million in term loan borrowings for a total of \$506.1 million. The full incremental borrowing of \$120.0 million plus \$20.0 million from cash on hand was used to fund a \$140.0 million dividend to Class T and Class O Unit holders. The incremental term loan borrowings bear a variable rate of interest of the greater of LIBOR or 1.00% plus the applicable margin of 3.75%. All other terms and conditions remain unchanged under the senior secured credit facility.

Credit facility

Our senior secured credit facility consists of term loans and a revolving credit facility. Borrowings under the term loans bear interest, payable at least semi-annually. The term loans require principal payments equal to approximately \$5.1 million per calendar year, payable in quarterly installments with the final scheduled principal payment on the outstanding term loan borrowings due on March 31, 2021.

The senior secured credit facility also provides for borrowings of up to \$40.0 million under the revolving credit facility, of which up to \$5.0 million is available for letter of credit advances. Borrowings under the revolving credit facility (excluding letters of credit) bear interest, payable at least semi-annually. We also pay a 0.45% commitment fee per annum on the unused portion of the revolver. The revolving credit facility expires on March 31, 2019.

The credit agreement governing our senior secured credit facility requires us to comply on a quarterly basis with one financial covenant which is a maximum ratio of debt to Credit Facility Adjusted EBITDA (the "leverage ratio") that becomes more restrictive over time. This covenant is only for the benefit of the revolving credit facility. At March 31, 2015, the terms of the senior secured credit facility require that we maintain a leverage ratio of no more than 6.25 to 1.0. The leverage ratio financial covenant will become more restrictive over time and will require us to maintain a leverage ratio of no more than 4.0 to 1.0 by June 30, 2018.

Failure to comply with this covenant would result in an event of default under our senior secured credit facility unless waived by our senior secured credit facility lenders. An event of default under our senior secured credit facility can result in the acceleration of our indebtedness under the facility, which in turn can result in an event of default and possible acceleration of our other indebtedness, if any.

As of March 31, 2015, we were in compliance with our senior secured credit facility financial covenant with a leverage ratio of 4.3 to 1.0 which was calculated for the twelve months ended March 31, 2015 based upon certain adjustments to EBITDA, as provided for under the terms of our senior secured credit facility.

On March 31, 2015, we amended our credit agreement governing our senior secured credit facility primarily to provide for an increase of \$120.0 million in term loan borrowings for a total of \$506.1 million. The full

Table of Contents

incremental borrowing of \$120.0 million plus \$20.0 million from cash on hand was used to fund a \$140.0 million dividend to Class T and Class O Unit holders. The incremental term loan borrowings bear a variable rate of interest of the greater of LIBOR or 1.00% plus the applicable margin of 3.75%. All other terms and conditions remain unchanged under the senior secured credit facility.

For more information on our senior secured credit facility, see “Description of certain indebtedness.”

Contractual obligations and commitments

The following table presents contractual obligations and commercial commitments as of March 31, 2015.

(In millions)	Payments due during the twelve months ending March 31,				
	Total	2016	2017-2018	2019-2020	Thereafter
Long-term debt ⁽¹⁾	\$ 506.1	\$ 5.1	\$ 10.2	\$ 10.2	\$ 480.6
Interest on long-term debt ⁽²⁾	140.6	24.0	47.4	46.4	22.8
Operating leases	115.2	13.1	25.9	22.2	54.0
Capital leases	0.3	0.3	—	—	—
Advertising commitments ⁽³⁾	9.9	9.9	—	—	—
Purchase obligations ⁽⁴⁾	15.3	15.3	—	—	—
Total Contractual Obligations	\$ 787.4	\$ 67.7	\$ 83.5	\$ 78.8	\$ 557.4

(1) Long-term debt payments include scheduled principal payments only.

(2) Assumes an annual interest rate of 4.75% for the term of the loan.

(3) As of March 31, 2015, we had advertising purchase commitments of approximately \$9.9 million, including commitments for the NAF.

(4) Purchase obligations consists of \$15.3 million for open purchase orders primarily related to equipment to be sold to franchisees. For the majority of our equipment purchase obligations, our policy is to require the franchisee to provide us with either a deposit or proof of a committed financing arrangement.

Off-balance sheet arrangements

As of March 31, 2015, our off-balance sheet arrangements consisted of operating leases and certain guarantees. In a limited number of cases, we have guaranteed certain leases and debt agreements of entities related through common ownership. These guarantees relate to leases for operating space, equipment and other operating costs of franchises operated by the related entities. Our maximum total commitment under these agreements is approximately \$2.8 million and would only require payment upon default by the primary obligor. The estimated fair value of these guarantees at March 31, 2015 was not material, and no accrual has been recorded for our potential obligation under these arrangements. See Note 17 to our audited consolidated financial statements included elsewhere in this prospectus for more information regarding these operating leases and guarantees.

Critical accounting policies and use of estimates

Our discussion and analysis of operating results and financial condition are based upon our consolidated financial statements included elsewhere in this prospectus. The preparation of our financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures of contingent assets and liabilities. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis. Actual results may differ from those estimates.

Table of Contents

Our critical accounting policies are those that materially affect our consolidated financial statements including those that involve difficult, subjective or complex judgments by management. A thorough understanding of these critical accounting policies is essential when reviewing our consolidated financial statements. We believe that the critical accounting policies listed below are those that are most important to the portrayal of our results of operations or involve the most difficult management decisions related to the use of significant estimates and assumptions as described above.

Revenue recognition

Franchise

Franchisees enter into ADAs with us to secure the exclusive right to open stores within a defined geographical area. ADAs establish the timing and number of stores to be developed within the defined geographical area. Pursuant to an ADA, a franchisee is generally required to pay an initial nonrefundable development fee for a minimum number of stores to be developed, as outlined in the respective ADA. ADA fees collected in advance are deferred until we deliver substantially all required obligations pursuant to the ADA. As the efforts and total cost relating to initial services are affected significantly by the number of stores opened in an area, the respective ADA is treated as a divisible contract. As each new site is developed under an ADA, a franchisee signs a franchise agreement for the respective franchise location. Each franchisee-owned store opened under an ADA typically has performance obligations associated with it, and we therefore recognize ADA revenue as each individual franchisee-owned store is developed in proportion to the total number of stores to be developed under the ADA. These obligations are typically completed once the store is opened or the franchisee executes the individual property lease. ADAs generally have an initial term equal to the number of years over which the franchisee is required to open franchise stores, which is typically five to ten years. There is no right of refund for an executed ADA. Upon default, as defined in the agreement, we may reacquire the rights pursuant to an ADA, and all remaining deferred revenue for the ADA is recognized at that time.

For stores opened without an ADA, we generally charge an initial upfront nonrefundable franchise fee. Nonrefundable franchise fees are typically deferred until the franchisee executes a lease and receives initial training for the location, which is the point at which we have determined that we have provided all of our material obligations required to recognize revenue. The individual franchise agreements typically have a 10-year initial term but provide the franchisee with an opportunity to enter into successive renewals subject to certain conditions.

Franchise agreements entered into prior to 2010 may include performance fees, which are fees earned by us upon each franchise store reaching a predetermined amount of total monthly membership billings. Performance fees are recognized when the related performance thresholds have been met.

Royalties, which represent recurring fees paid by franchisees based on the franchisee-owned stores' monthly membership dues and annual fees, are recognized on a monthly basis over the term of the franchise agreement. As specified under certain franchise agreements, we recognize additional royalty fees as the franchisee-owned stores attain contractual monthly membership billing threshold amounts. Beginning in 2010, for all new franchise agreements entered into, we began charging a fixed royalty percentage based upon gross membership billings.

Online member join fees are paid to us by franchisees for processing new membership transactions when a new member signs up for a membership to a franchisee-owned store through our website.

Billing transaction fees are paid to us by franchisees for the processing of franchisee membership dues and annual fees through our third-party hosted point-of-sale system.

Table of Contents

We are generally responsible for the assembly and placement of equipment purchased from us for franchisee-owned stores. Placement revenue is recognized upon completion and acceptance of the placement services at the franchise location.

Commission income

We recognize commission income from our franchisees' use of preferred vendor arrangements. Commissions are recognized when amounts have been earned and collectability from the vendor is reasonably assured.

Corporate-owned stores

Customers are offered multiple membership choices varying in length and, in most cases, can be canceled without penalty. Monthly membership dues are earned and recognized over the membership term. Enrollment fees are charged to new members at the commencement of their membership. We recognize enrollment fees ratably over the estimated duration of the membership, which is generally two years. Annual membership fees are annual fees charged to members in addition to and in order to maintain low monthly membership dues. We recognize annual membership fees ratably over the 12-month membership period. We sell Planet Fitness-branded apparel, beverages and other accessories, which we define as retail sales. The revenue for these items is recognized at the point of sale.

Equipment

We sell equipment purchased from third-party equipment manufacturers to franchisee-owned stores. Equipment revenue is recognized when the equipment is delivered, assembled, placed and accepted by the franchisee at each store. We recognize revenue on a gross basis in these transactions as we have determined that we are the principal in the transaction. We have determined that we are the principal because we are the primary obligor in these transactions, we have latitude in establishing prices for the equipment sales to franchisees, we have supplier selection discretion and are involved in determination of product specifications, and we bear all credit risk associated with obligations to the equipment manufacturers. We charge our franchisees for all freight costs incurred for the delivery of equipment and record these amounts within equipment revenue. Rebates from equipment vendors where we have recognized the related equipment revenue and costs are recorded as a reduction to the cost of revenue.

Leases

We currently lease all of our corporate-owned stores and our corporate headquarters. At the inception of each lease, we determine its appropriate classification as an operating or capital lease. The majority of our leases are operating leases. For operating leases that include rent escalations, we record the base rent expense on a straight-line basis over the term of the lease and the difference between the base cash rentals paid and the straight-line rent expense is recorded as deferred rent.

We expend cash for leasehold improvements and to build out and equip our leased premises. We may also expend cash for structural additions that we make to leased premises. Generally, a portion of the leasehold improvements and building costs are reimbursed to us by our landlords as construction contributions pursuant to agreed-upon terms in our leases. If obtained, landlord construction contributions usually take the form of up-front cash, full or partial credits against our future minimum or percentage rents otherwise payable by us, or a combination thereof. When contractually due to us, we classify tenant improvement allowances within property and equipment and deferred rent on the consolidated balance sheets and depreciate the tenant improvement allowance on a straight-line basis over the lease term.

Business combinations

We account for business combinations, including the 2012 Acquisition, using the purchase method of accounting which results in the assets acquired and liabilities assumed being recorded at fair value.

The valuation methodologies used are based on the nature of the asset or liability. The significant assets and liabilities measured at fair value include property and equipment, intangible assets, deferred revenue and favorable and unfavorable leases. For the 2012 Acquisition, intangible assets consisted of trade and brand names, member relationships, franchisee relationships related to both our franchise and equipment segments, non-compete agreements, order backlog and favorable and unfavorable leases. For other acquisitions, which consist of acquisitions of stores from franchisees, intangible assets generally consist of member relationships, re-acquired franchise rights, and favorable and unfavorable leases.

The fair value of trade and brand names is estimated using the relief from royalty method, an income approach to valuation, which includes projecting future system-wide sales and other estimates. Membership relationships and franchisee relationships are valued based on an estimate of future revenues and costs related to the respective contracts over the remaining expected lives. Our valuation includes assumptions related to the projected attrition and renewal rates on those existing franchise and membership arrangements being valued. Re-acquired franchise rights are valued using an excess earnings approach. The valuation of re-acquired franchise rights is determined using an estimation of future royalty income and related expenses associated with existing franchise contracts at the acquisition date. For re-acquired franchise rights with terms that are either favorable or unfavorable (from our perspective) to the terms included in our current franchise agreements, a gain or charge is recorded at the time of the acquisition to the extent of the favorability or un-favorability, respectively. Favorable and unfavorable operating leases are recorded based on differences between contractual rents under the respective lease agreements and prevailing market rents at the lease acquisition date. Deferred revenue is valued based on our estimated costs to fulfill the obligations assumed, plus a normal profit margin. No deferred revenue amounts are recognized for enrollment fees in our business combinations as there is no remaining obligation.

We consider our trade and brand name intangible assets to have an indefinite useful life, and, therefore, these assets are not amortized but rather are tested for impairment annually as discussed below. Amortization of re-acquired franchise rights and franchisee relationships is recorded over the respective franchise terms using the straight-line method which we believe approximates the period during which we expect to receive the related benefits. Member relationships are amortized on an accelerated basis based on expected attrition. Favorable and unfavorable operating leases are amortized into rental expense over the lease term of the respective leases using the straight-line method.

Impairment of long-lived assets, including goodwill and intangible assets

We assess potential impairments to our long-lived assets, which include property and equipment and amortizable intangible assets, whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of an asset is measured by a comparison of the carrying amount of an asset group to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset group exceeds its estimated undiscounted future cash flows, an impairment charge is recognized as the amount by which the carrying amount of the asset exceeds the fair value of the asset. Store-level assets are grouped by store and assessed on a store by store basis for the purpose of the impairment assessment. There were no impairment charges recorded during 2012, 2013 or 2014.

Table of Contents

Goodwill and indefinite lived intangibles (our trade and brand name intangible assets) have been assigned to our reporting units for purposes of impairment testing. Our reporting units are Franchise, Corporate-owned stores and Equipment, which are the same as our reportable segments.

The goodwill impairment test consists of a comparison of each reporting unit's fair value to its carrying value. The fair value of a reporting unit is an estimate of the amount for which the unit as a whole could be sold in a current transaction between willing parties. If the carrying value of a reporting unit exceeds its fair value, goodwill is written down to its implied fair value. Fair value of a reporting unit is estimated based on a combination of comparative market multiples and discounted cash flow valuation approaches. We are also permitted to make a qualitative assessment of whether it is more likely than not that the fair value of a reporting unit is less than its carrying value prior to applying the quantitative assessment. If based on our qualitative assessment it is not more likely than not that the carrying value of the reporting unit is less than its fair value, then a quantitative assessment is not required. The qualitative assessment was utilized to assess goodwill for impairment for all of our reporting units in 2014.

We evaluate the remaining useful lives of our trade and brand name intangible assets to determine whether current events and circumstances continue to support an indefinite useful life. In addition, all of our indefinite lived intangible assets are tested for impairment annually. The trade and brand name intangible asset impairment test consists of a comparison of the fair value of each trade name with its carrying value, with any excess of carrying value over fair value being recognized as an impairment loss. We are also permitted to make a qualitative assessment of whether it is more likely than not an indefinite lived intangible asset's fair value is less than its carrying value prior to applying the quantitative assessment. If based on our qualitative assessment it is not more likely than not that the carrying value of the asset is less than its fair value, then a quantitative assessment is not required. The qualitative assessment was utilized to assess all of our indefinite lived intangible assets for impairment in 2014.

Currently, we have selected the last day of our year as the date on which to perform our annual impairment tests for goodwill and indefinite lived intangible assets. We also test for impairment whenever events or circumstances indicate that the fair value of such indefinite lived intangibles has been impaired. No impairment of goodwill or indefinite lived intangible assets was recorded during 2012, 2013 or 2014.

Equity-based compensation

Certain of our employees have received grants of Class M Units in Pla-Fit Holdings, LLC. These awards are accounted for in accordance with guidance prescribed for accounting for share based compensation. Based on this guidance and the terms of the awards, the awards are equity classified.

With the exception of 10.737 units related to one grant that was modified in March of 2015 to accelerate vesting in connection with the resignation of a former director, eighty percent of the awards granted vest over five years of continuous service while the other twenty percent only vest in the event of an initial public offering. All of the Class M Units provide for accelerated vesting if there is a Company Sale (as defined in the existing Pla-Fit Holdings LLC agreement). The Class M Units receive distributions only upon a liquidity event, as defined, that exceeds a threshold approximately equivalent to our fair value at the grant date. Compensation expense related to these awards is determined based on the fair value of the award as of the grant date, determined using a Monte Carlo simulation model. Significant assumptions include the business enterprise value, time to a liquidity event, volatility and expected term of the awards. Compensation expense will be recognized over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. Due to the fact that distributions are contingent on a liquidity event, no expense has been recognized with respect to these awards during any of the periods presented.

Table of Contents

In connection with the recapitalization transactions described herein, all of the Class M Units will be converted into Holdings Units. These converted units will still be subject to their existing vesting requirements. The potential compensation expense to be recorded for the awards upon consummation of this offering is approximately \$ million. We will recognize non-cash equity-based compensation expense with respect to these awards in the period in which the offering is consummated and in the subsequent periods based on the vesting provisions within the awards.

Income taxes

Pla-Fit Holdings, LLC and its subsidiaries were formed as limited liability companies (LLCs) and have elected to be treated as pass through entities for both federal and state purposes except for those states which do not allow for such an election, such as New Hampshire. For federal and certain state income tax purposes, the members include the net income or loss from the pass through entities in their individual income tax returns. Beginning in 2014, we, through two wholly-owned Canadian subsidiaries, are also subject to taxation in Canada.

Deferred income taxes are recognized for the expected future tax consequences attributable to temporary differences between the carrying amount of the existing tax assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied in the years in which temporary differences are expected to be recovered or settled. The principal items giving rise to temporary differences are the use of accelerated depreciation and certain basis differences resulting from acquisitions including the 2012 Acquisition. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

We recognize the effects of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

Pla-Fit Holdings, LLC is liable for certain state and local taxes and is subject to tax withholding in foreign jurisdictions. After the consummation of this offering, pursuant to the New LLC Agreement, Pla-Fit Holdings, LLC will generally make pro rata tax distributions to the holders of Holdings Units in an amount sufficient to fund all or part of their tax obligations with respect to the taxable income of Pla-Fit Holdings, LLC that is allocated to them. See “Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Pla-Fit Holdings, LLC amended and restated limited liability company agreement.”

After consummation of this offering, we will become subject to U.S. federal, state and local income taxes with respect to our allocable share of any taxable income of Pla-Fit Holdings, LLC and will be taxed at the prevailing corporate tax rates. In addition to tax expenses, we will also be responsible to fund payments under the tax receivable agreements, which will be significant. We anticipate that we will account for the income tax effects and corresponding tax receivable agreements effect resulting from future taxable exchanges of units by unit holders of Pla-Fit Holdings, LLC for shares of our Class A common stock by recognizing an increase in our deferred tax assets, based on enacted tax rates at the date of the exchange. Further, we will evaluate the likelihood that we will realize the benefit represented by the deferred tax asset and, to the extent that we estimate that it is more likely than not that we will not realize the benefit, we will reduce the carrying amount of the deferred tax asset with a valuation allowance. The amounts to be recorded for both the deferred tax assets and the liability for our obligations under the tax receivable agreements will be estimated at the time the agreements are executed as a reduction to shareholders equity, and the effects of changes in any of our estimates after this date will be included in net income. Similarly, the effect of subsequent changes in the enacted tax rates will be included in net income. We intend to cause Pla-Fit Holdings, LLC to make distributions

in an amount sufficient to allow us to pay our tax obligations, including distributions to fund any ordinary course payments due under the tax receivable agreements. See “Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Pla-Fit Holdings, LLC amended and restated limited liability company agreement.”

JOBS Act

Under the JOBS Act, emerging growth companies that become public can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards following the completion of this offering and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Quantitative and qualitative disclosures about market risk

Interest rate risk

We are exposed to market risk from changes in interest rates on our senior secured credit facility, which bears interest at variable rates and has a U.S. dollar LIBOR floor of 1.0%. As of March 31, 2015, we had outstanding borrowings of \$506.1 million. An increase in the effective interest rate applied to these borrowings of 100 basis points would result in a \$5.1 million increase in pre-tax interest expense on an annualized basis.

We manage our interest rate risk through normal operating and financing activities and, when determined appropriate, through the use of derivative financial instruments. To mitigate exposure to fluctuations in interest rates, we entered into a series of interest rate caps as discussed in Note 11 to our audited consolidated financial statements elsewhere in this prospectus.

Foreign exchange risk

We are exposed to fluctuations in exchange rates between the U.S. and Canadian dollar, which is the functional currency of our Canadian entity. Our sales, costs and expenses of our Canadian subsidiary, when translated into U.S. dollars, can fluctuate due to exchange rate movement. As of March 31, 2015, a 10% increase or decrease in the exchange rate of the U.S. and Canadian dollar would increase or decrease net income by a negligible amount.

Inflation risk

Although we do not believe that inflation has had a material effect on our income from continuing operations, we have a substantial number of hourly employees in our corporate-owned stores that are paid wage rates at or based on the applicable federal or state minimum wage. Any increases in these minimum wages will subsequently increase our labor costs. We may or may not be able to offset cost increases in the future.

Letter from Chief Executive Officer Chris Rondeau

Dear Prospective Shareholders,

As we embark on this exciting journey together, I wanted to reflect on what brought us to this point. When I was in college in 1993, brothers Michael and Marc Grondahl hired me to work the front desk of their small town gym in Dover, New Hampshire. In the early days, it was your typical gym that catered to fitness fanatics and had tons of heavy free weights, group fitness classes, a juice bar and daycare facility—a place where the fit got fitter. We quickly recognized that there was a greater opportunity to serve a much larger segment of the population, and we simply asked ourselves, “Why does 80% of the population not belong to a gym?” The answer—first-time and occasional gym users were intimidated by an environment dominated by fitness regulars. They didn’t like the “look-at-me” attitudes and behaviors and wanted a place where they could go at their own pace without being judged or intimidated. They didn’t like feeling as if they needed to be in shape before even joining a gym. We also realized that the amenities we had in the early days weren’t important to most people.

So, throughout the ‘90s, we completely changed our environment, both in attitude and format. I became Chief Operating Officer and co-owner in 2003 alongside Michael and Marc. Over the years, we refined the non-intimidating, low-cost / high-value business model you see today. Planet Fitness became the “Judgement Free Zone”—a welcoming and friendly community and place where millions of people could feel comfortable regardless of fitness level. We also reallocated floor space to more high-quality cardio and circuit-training equipment and limited free weights. Because we made room for more cardio equipment, we didn’t have to put time limits on machines, and our members didn’t have to wait to work out. Removing the heavy free weights also helped us get rid of intimidating “Lunk” behaviors, such as dropping weights and grunting. We even installed “Lunk” alarms in our stores that staff could ring as a light-hearted way to reinforce that we weren’t going to tolerate intimidating behavior. We also slashed our standard membership dues to \$10 per month so that everyone and anyone could join without having to sacrifice the quality of the facilities or experience.

The response to our new fitness model was incredible. We saw dramatic increases in memberships and were attracting members at all fitness levels and ages. We also significantly increased our female membership due to our non-intimidating environment. The creation of this new highly successful model was also financially attractive and highly scalable, and perfect for a franchise system. Potential franchisees loved that our new streamlined store model was easy to run, needed minimal staffing, involved limited cash transactions and required little inventory management. All that our franchisees and their employees need to focus on is keeping their stores meticulously clean and making those that walk through our doors feel welcomed and comfortable.

We have proudly grown to 976 stores (as of March 31, 2015) while maintaining the same sense of community among our franchisees, their employees and our corporate team as we did over a decade ago, instilling a teamwork mentality that we call “One Team, One Planet.” I am thankful every day that I helped build a company that creates health for our members and wealth for our franchisees. Not many CEOs can make that statement. I start each day by going to www.PlanetofTriumphs.com, a website that allows our members, unsolicited, to share their personal experiences and triumphs, big and small. Each story reminds me of the role Planet Fitness plays in helping millions of people lead healthier and happier lives, which in turn inspires me to continue to work to help many millions more.

Thank you for taking the time to learn about us. We hope you choose to join the Planet Fitness team!

One Team, One Planet,



Chris Rondeau

Business

Our Company

Fitness for everyone

We are one of the largest and fastest-growing franchisors and operators of fitness centers in the United States by number of members and locations, with a highly recognized national brand. Our mission is to enhance people's lives by providing a high-quality fitness experience in a welcoming, non-intimidating environment, which we call the Judgement Free Zone, where anyone—and we mean anyone—can feel they belong. Our bright, clean stores are typically 20,000 square feet, with a large selection of high-quality, purple and yellow Planet Fitness-branded cardio, circuit- and weight-training equipment and friendly staff trainers who offer unlimited free fitness instruction to all our members in small groups through our PE@PF program. We offer this differentiated fitness experience at only \$10 per month for our standard membership. This exceptional value proposition is designed to appeal to a broad population, including occasional gym users and the approximately 80% of the U.S. and Canadian populations over age 14 who are not gym members, particularly those who find the traditional fitness club setting intimidating and expensive. We and our franchisees fiercely protect Planet Fitness' community atmosphere—a place where you do not need to be fit before joining and where progress toward achieving your fitness goals (big or small) is supported and applauded by our staff and fellow members.

Our judgement-free approach to fitness and exceptional value proposition have enabled us to grow our revenues to \$279.8 million in 2014 and to become an industry leader with \$1.2 billion in system-wide sales in 2014, and more than 7.1 million members and 976 stores in 47 states, Puerto Rico and Canada as of March 31, 2015. System-wide sales for 2014 include \$1.1 billion attributable to franchisee-owned stores, from which we generate royalty revenue, and \$82.0 million attributable to our corporate-owned stores. Of our 976 stores, 919 are franchised and 57 are corporate-owned. Our stores are successful in a wide range of geographies and demographics. According to internal and third-party analysis, we believe we have the opportunity to more than quadruple our store count to over 4,000 stores in the United States alone. Under signed ADAs as of March 31, 2015, our franchisees have committed to open more than 1,000 additional stores.

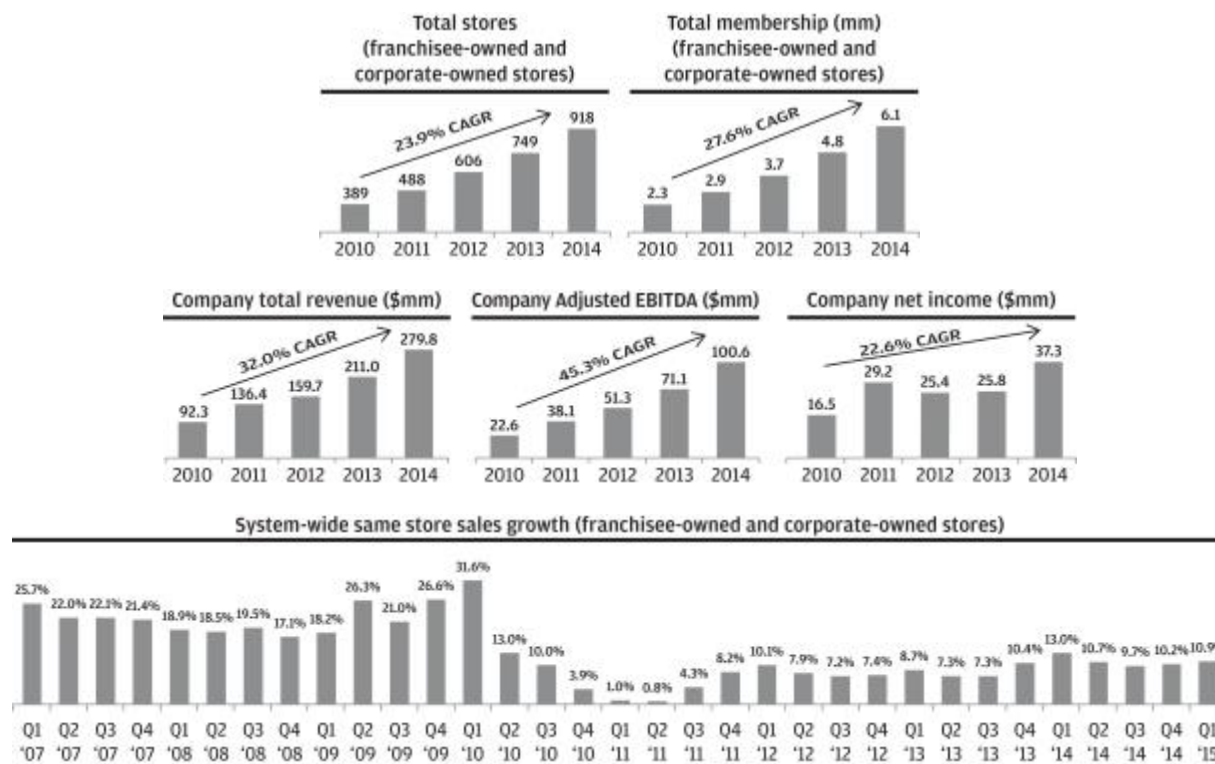
In 2014, our corporate-owned stores had segment EBITDA margin of 37.3% and had AUVs of approximately \$1.6 million with four-wall EBITDA margins of approximately 41%, or approximately 36% after applying the 5% royalty rate under our current franchise agreements. Based on a survey of franchisees, we believe that our franchise stores achieve four-wall EBITDA margins in line with these corporate-owned store EBITDA margins. Our strong member value proposition has also driven growth throughout a variety of economic cycles and conditions. For a reconciliation of segment EBITDA margin to four-wall EBITDA margin for corporate-owned stores, see "Management's discussion and analysis of financial condition and results of operations—Non-GAAP measures."

Our significant growth is reflected in:

- 918 stores as of December 31, 2014, compared to 389 as of December 31, 2010, reflecting a CAGR of 23.9%;
- 6.1 million members as of December 31, 2014, compared to 2.3 million as of December 31, 2010, reflecting a CAGR of 27.6%;
- 2014 system-wide sales of \$1.2 billion, reflecting a CAGR of 30.1%, or increase of \$774.3 million, since 2010;
- 2014 total revenue of \$279.8 million, reflecting a CAGR of 32.0%, or increase of \$187.5 million, since 2010, of which 3.6% is attributable to revenues from corporate-owned stores acquired from or sold to franchisees since 2010;
- 33 consecutive quarters of system-wide same store sales growth;
- 2014 Adjusted EBITDA of \$100.6 million, reflecting a CAGR of 45.3%, or increase of \$78.0 million, since 2010; and

Table of Contents

- 2014 net income of \$37.3 million, reflecting a CAGR of 22.6%, or increase of \$20.8 million, since 2010. Our historical results benefit from insignificant income taxes due to our status as a pass-through entity for U.S. federal income tax purposes, and we anticipate future results will not be consistent as our income will be subject to U.S. federal and state taxes.



For a discussion of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, see “Selected consolidated financial and other data.” For a discussion of same store sales, see “Management’s discussion and analysis of financial condition and results of operations—How we assess the performance of our business.”

We’re not a gym. We’re Planet Fitness.

We believe our approach to fitness is revolutionizing the industry by bringing fitness to a large, previously underserved segment of the population. Our differentiated member experience is driven by three key elements:

- Judgement Free Zone :** We believe every member should feel accepted and respected when they walk into a Planet Fitness. Our stores provide a Judgement Free Zone where members of all fitness levels can enjoy a welcoming, non-intimidating environment. Our “come as you are” approach has fostered a strong sense of community among our members, allowing them not only to feel comfortable as they work toward their fitness goals but also to encourage others to do the same. The removal of heavy free weights reinforces our Judgement Free Zone by discouraging what we call “Lunkhead” behavior, such as dropping weights and grunting, that can be intimidating to new and occasional gym users. In addition, to help maintain our judgement-free environment, each store has a purple and yellow branded “Lunk” alarm on the wall that staff occasionally rings as a light-hearted reminder of our policies.

Table of Contents

- ***Distinct store experience*** : Our bright, clean, large-format stores offer our members a selection of high-quality, purple and yellow Planet Fitness-branded cardio, circuit- and weight-training equipment that is commonly used by first-time and occasional gym users. Because our stores are typically 20,000 square feet and we do not offer non-essential amenities such as group exercise classes, pools, day care centers and juice bars, we have more space for the equipment our members do use, and we have not needed to impose time limits on our cardio machines.
- ***Exceptional value for members*** : Both our standard and PF Black Card memberships are priced significantly below the industry average of \$46 per month and still provide our members with a high-quality fitness experience. For only \$10 per month, our standard membership includes unlimited access to one Planet Fitness location and unlimited free fitness instruction to all members in small groups through our PE@PF program. For \$19.99 per month, our PF Black Card members have access to all of our stores system-wide and can bring a guest on each visit, which provides an additional opportunity to attract new members. Our PF Black Card members also have access to exclusive areas in our stores that provide amenities such as water massage beds, massage chairs, tanning equipment and more.

Our differentiated approach to fitness has allowed us to create an attractive franchise model that is both profitable and scalable. We recognize that our success depends on a shared passion with our franchisees for providing a distinctive store experience based on a judgement-free environment and an exceptional value for our members. We enhance the attractiveness of our streamlined, easy-to-operate franchise model by providing franchisees with extensive operational support relating to site selection and development, marketing and training. We also take a highly collaborative, teamwork approach to our relationship with franchisees, as captured by our motto “One Team, One Planet.” The strength of our brand and the attractiveness of our franchise model are evidenced by the fact that 87% of our new stores in 2014 were opened by our existing franchisee base and 22 new franchisee groups opened their first store in 2014.

Our competitive strengths

We attribute our success to the following strengths:

- ***Market leader with differentiated member experience, nationally recognized brand and scale advantage.*** We believe we are the largest operator of fitness centers in the United States by number of members, with more than 7.1 million members as of March 31, 2015. Our franchisee-owned and corporate-owned stores generated \$1.2 billion in system-wide sales during 2014. Through our differentiated member experience, nationally recognized brand and scale advantage, we will continue to deliver a compelling value proposition to our members and our franchisees and, we believe, grow our store and total membership base.
 - ***Differentiated member experience.*** We seek to provide our members with a high-quality fitness experience in a non-intimidating, judgement-free environment at an exceptional value. We have a dedicated Brand Excellence team that seeks to ensure that all our franchise stores uphold our brand standards and deliver a consistent Planet Fitness member experience in every store.
 - ***Nationally recognized brand.*** We have developed a highly relatable and recognized brand that emphasizes our focus on providing our members with a judgement-free environment. We do so through fun and memorable marketing campaigns and in-store signage that often poke fun at “Lunk” behavior. As a result, we have among the highest aided and unaided brand awareness scores in the U.S. fitness industry, according to a third-party consumer study that we commissioned in the fall of 2014. Our brand strength also helps our franchisees attract members, with new stores in 2014 signing up an average of approximately 1,300 members before opening their doors.
 - ***Scale advantage.*** Our scale provides several competitive advantages, including enhanced purchasing power with our fitness equipment and other suppliers, and the ability to attract high-quality franchisee

partners. In addition, our large national advertising fund funded by franchisees and us, together with our requirement that franchisees generally spend 5 to 7% of their monthly membership dues on local advertising, have enabled us and our franchisees to spend over an estimated \$150 million since 2011 on marketing to drive consumer brand awareness.

- **Exceptional value proposition that appeals to a broad member demographic .** We offer a high-quality and consistent fitness experience throughout our entire store base at low monthly membership dues. Combined with our non-intimidating and welcoming environment, we are able to attract a broad member demographic based on age, household income, gender and ethnicity. Our member base is over 50% female and our members come from both high- and low-income households. Our broad appeal and ability to attract occasional and first-time gym users enable us to continue to target a large segment of the population in a variety of markets and geographies across the United States and Canada.
- **Strong store-level economics .** Our store model is designed to generate attractive four-wall EBITDA margins, strong free cash flow and high returns on invested capital for both our corporate-owned and franchise stores. Average four-wall EBITDA margins for our corporate-owned stores have increased significantly since 2010, driven by higher average members per store as well as a higher percentage of PF Black Card members, which leverage our relatively fixed costs. In 2014, our corporate-owned stores had segment EBITDA margin of 37.3% and had AUVs of approximately \$1.6 million with four-wall EBITDA margins of approximately 41%, or approximately 36% after applying the 5% royalty rate under our current franchise agreement. Based on a survey of franchisees, we believe that our franchise stores achieve four-wall EBITDA margins in line with these corporate-owned store EBITDA margins. We believe that our strong store-level economics are important to our ability to attract and retain successful franchisees and grow our store base.
- **Highly attractive franchise system built for growth .** Our easy-to-operate model, strong store-level economics and brand strength have enabled us to attract a team of professional, successful franchisees from a variety of industries. We believe that our franchise model enables us to scale more rapidly than a company-owned model. Our streamlined model features relatively fixed labor costs, minimal inventory, automatic billing and limited cash transactions. Our franchisees enjoy recurring monthly member dues, regardless of member use, weather or other factors. Based on survey data and management estimates, we believe our franchisees can earn, in their second year of operations, on average, a cash-on-cash return on initial investment greater than 25% after royalties and advertising, which is in line with our corporate-owned stores. The attractiveness of our franchise model is further evidenced by the fact that our franchisees re-invest their capital with us, with 87% of our new stores in 2014 opened by our existing franchisee base. We have received numerous accolades, including #4 among Franchise Times' "Smartest Growing Brands" for 2015 and #3 among Forbes Magazine's "America's Best Franchises" in 2014 (in which we also received an "A" rating for franchisee support). We view our franchisees as strategic partners in expanding the Planet Fitness store base and brand.
- **Predictable and recurring revenue streams with high cash flow conversion.** Our business model provides us with predictable and recurring revenue streams. In 2014, approximately 80% of our franchise revenues and over 90% of our corporate-owned store revenues consisted of recurring revenue streams, which include royalties, vendor commissions, monthly dues and annual fees. In addition, our franchisees are obligated to purchase fitness equipment from us for their new stores and to replace this equipment every four to seven years. As a result, these "equip" and "re-equip" requirements create a predictable and growing revenue stream as our franchisees open new stores under their ADAs. By re-investing in stores, we and our franchisees maintain and enhance our member experience. Our predictable and recurring revenue streams, combined with our attractive margins and minimal capital requirements, result in high cash flow conversion and increased capacity to invest in future growth initiatives.

- ***Proven, experienced management team driving a strong culture*** . Our strategic vision and unique culture have been developed and fostered by our senior management team under the stewardship of Chief Executive Officer Chris Rondeau. Mr. Rondeau has been with Planet Fitness for over 20 years and helped develop the Planet Fitness business model and brand elements that give us our distinct personality and spirited culture. Dorvin Lively, our Chief Financial Officer, brings valuable expertise from his 30 years of corporate finance experience with companies such as RadioShack and Ace Hardware, and from the initial public offering of Maidenform. We have assembled a management team that shares our passion for “fitness for everyone” and has extensive experience across a broad range of disciplines, including retail, franchising, finance, consumer marketing, brand development and information technology. We believe our senior management team is a key driver of our success and has positioned us well to execute our long-term growth strategy.

Our growth strategies

We believe there are significant opportunities to grow our brand awareness, increase our revenues and profitability and deliver shareholder value by executing on the following strategies:

- ***Continue to grow our store base across a broad range of markets***. We have more than tripled our store count over the last five years, expanding from 302 stores as of December 31, 2009 to 918 stores as of December 31, 2014. As of March 31, 2015, our franchisees have signed ADAs to open more than 1,000 additional stores over the next seven years, including approximately 500 over the next three years. Because our stores are successful across a wide range of geographies and demographics with varying population densities, we believe that our high level of brand awareness and low per capita penetration outside of our original Northeast market create a significant opportunity to open new Planet Fitness stores across the United States and Canada. Based on our internal and third-party analysis, we believe we have the potential to more than quadruple our store base to over 4,000 stores in the United States alone.
- ***Drive revenue growth and system-wide same store sales*** . Because we provide a high-quality, affordable, non-intimidating fitness experience that is designed for first-time and occasional gym users, we have achieved positive system-wide same store sales growth in each of the past 33 quarters. We expect to continue to grow system-wide same store sales primarily by:
 - ***Attracting new members to existing Planet Fitness stores***. As the U.S. and Canadian populations continue to focus on health and wellness, we believe we are well-positioned to capture a disproportionate share of the population given our appeal to first-time and occasional gym users. In addition, because our stores offer a large, focused selection of equipment geared toward first-time and occasional gym users, we are able to service higher member volumes without sacrificing the member experience. We also have continued to evolve our offerings to appeal to our target member base, such as the introduction of 12-minute abdominal circuits and 30-minute express workout areas.
 - ***Increasing mix of PF Black Card memberships by enhancing value and member experience*** . We expect to drive sales by converting our existing members with standard membership dues at \$10 per month to our premium PF Black Card membership with dues at \$19.99 per month as well as attracting new members to join at the PF Black Card level. We encourage this upgrade by continuing to enhance the value of our PF Black Card benefits through additional in-store amenities and affinity partnerships with national retail brands for discounts and promotions. Since 2010, our PF Black Card members as a percentage of total membership has increased from 38% in 2010 to 55% in 2014, and our average monthly dues per member have increased from \$14.22 to \$15.45 over the same period.

We may also explore other future revenue opportunities, such as optimizing member pricing and fees, offering new merchandise and services inside and outside our stores, and securing affinity and other corporate partnerships.

Table of Contents

- **Increase brand awareness to drive growth.** We plan to continue to increase our strong national brand awareness by leveraging significant marketing expenditures by our franchisees and us, which we believe will result in increasing membership in new and existing stores and continue to attract high-quality franchisee partners. Under our current franchise agreement, franchisees are required to contribute 2% of their monthly membership dues to our NAF, from which we spent over \$21 million in 2014 alone to support our national marketing campaigns, our social media platforms and the development of local advertising materials. Under our current franchise agreement, franchisees are also required to spend 7% of their monthly membership dues on local advertising. We expect both our NAF and local advertising spending to grow as our membership grows.
- **Continue to expand royalties from increases in average royalty rate and new franchisees.** While our current franchise agreement stipulates monthly royalty rates of 5% of monthly dues and annual membership fees, only 30% of our stores are paying royalties at the current franchise agreement rate, primarily due to lower rates in historical agreements. As new franchisees enter our system and, generally, as current franchisees open new stores or renew their existing franchise agreements at the current royalty rate, our average system-wide royalty rate will increase. In 2014, our average monthly royalty rate was 2.95% compared to 1.39% in 2010. In addition to rising average royalty rates, total royalty revenue will continue to grow as we expand our franchise store base and increase franchise same store sales.
- **Grow sales from fitness equipment and related services.** Our franchisees are contractually obligated to purchase fitness equipment from us and, due to our scale and negotiating power, we believe we offer competitive pricing for high-quality, purple and yellow Planet Fitness-branded fitness equipment. We expect our equipment sales to grow as our franchisees open new stores. Additionally, franchisees are required to replace their existing equipment with new equipment every four to seven years. As the number of franchise stores continues to increase and existing franchise stores continue to mature, we anticipate incremental growth in revenue related to the sale of equipment. In addition, we believe that regularly refreshing equipment helps our franchise stores maintain a consistent, high-quality fitness experience and drives new member growth.

Our industry

Due to our unique positioning to a broader demographic, we believe Planet Fitness has an addressable market that is significantly larger than the traditional health club industry. We view our addressable market as approximately 255 million people, representing the U.S. population over 14 years of age. We compete broadly for consumer discretionary spending related to leisure, sports, entertainment and other non-fitness activities in addition to the traditional health club market. As the economy continues to recover and per capita disposable income increases, we believe consumers will continue to increase spending on health and fitness related expenditures.

According to the International Health, Racquet & Sportsclub Association (“IHRSA”), the United States health club industry generated approximately \$24.2 billion in 2014. The industry is highly fragmented, with 34,460 clubs across the United States serving approximately 54 million members, according to IHRSA. In 2014, the U.S. health club industry grew by 6.4% in number of units and 2.3% in number of members compared to Planet Fitness, which grew by 22.6% and 26.1%, respectively. Over the next five years, industry sources project that U.S. health club industry revenues will grow at an annualized rate of approximately 3%, primarily attributed to an increase in discretionary spending coupled with continued consumer awareness and public initiatives on the health benefits of exercise. We believe we are well-positioned to capitalize on these trends, and our impressive growth reinforces our distinct approach to fitness and broad demographic appeal.

Our brand philosophy

We are a brand built on passion and the belief that first-time gym users and casual fitness members can achieve their personal wellness goals in a non-intimidating, judgement-free environment. We have become a nationally recognized consumer brand that stands for the environment, value and quality we provide our members.

The Judgement Free Zone . Planet Fitness is the home of the Judgement Free Zone. It is a place where people of all fitness levels can feel comfortable working out at their own pace, feel supported in their efforts and not feel intimidated by pushy salespeople or other members who may ruin their fitness experience.

All This for Only That . Planet Fitness monthly membership dues range from only \$10 to \$19.99. We pride ourselves on providing a high-quality experience at an exceptional value, not an “economy” fitness experience.

No Gymtimidation. Gymtimidation is any behavior that makes others feel intimidated or uncomfortable in our stores. Our policy is simple: Planet Fitness is an environment where members can relax, go at their own pace and be themselves without ever having to worry about being judged. Behaviors such as grunting, dropping weights or judging others simply are not tolerated.

No Lunks . Lunks are people who Gymtimidate. To help maintain our judgement-free environment, each store has a purple and yellow branded “Lunk” alarm on the wall that our staff occasionally rings as a light-hearted, gentle reminder of our policies.

You Belong . We do a lot of little things to make members feel like part of our community—like saying hello and goodbye to everyone who enters our stores, providing Tootsie Rolls at the front desk so that our staff has another opportunity to engage with members, and other membership appreciation gestures such as monthly Pizza Mondays and Bagel Tuesdays at no cost to our members.

Planet of Triumphs . All of our members are working toward their goals—from a single push-up to making it to Planet Fitness twice in a week to losing hundreds of pounds. No matter what size the goal, we believe that all of these accomplishments deserve to be celebrated. Planet of Triumphs (www.PlanetofTriumphs.com) is an elevating, inspiring, 100% Judgement Free social community of real members where all stories are welcome. Our members seem to agree and in its first three months, this community grew to over 13,000 active members, with more than 29,000 posts and over 5.5 million page views. Planet of Triumphs provides an online platform for members to recognize their triumphs (big and small), share their stories and encourage others, while spotlighting our unique brand belief that everyone belongs.

Membership

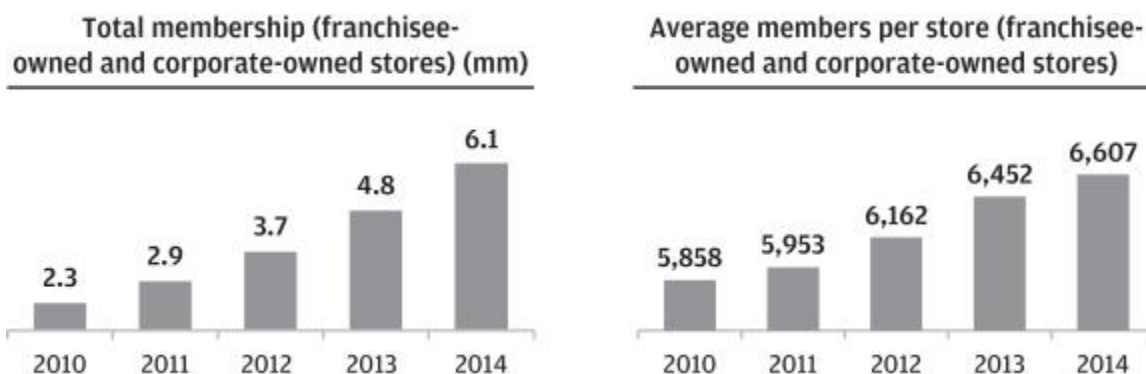
We make it simple for members to join, whether online or in-store—no pushy sales tactics, no pressure and no complicated rate structures. Our corporate store staff is not paid commissions based on membership sales but rather have the opportunity to earn a monthly bonus based primarily on store cleanliness, and we urge our franchisees to follow our lead. Our regional managers review our corporate stores multiple times per month for quality control, including generally one visit per month during which they evaluate store cleanliness based upon internally established criteria from which the monthly bonus is derived. Our members generally pay the following amounts:

- monthly membership dues of only \$10 for our standard membership or, for PF Black Card members, \$19.99;
- annual fees of approximately \$10 to \$39; and
- enrollment fees of approximately \$0 to \$49.

Table of Contents

Belonging to a Planet Fitness store has perks whether members select the standard membership or the premium PF Black Card membership. Every member gets to take part in Pizza Mondays and Bagel Tuesdays and gets free, unlimited fitness instruction, plus a T-shirt or other Planet Fitness item. Our PF Black Card members also have the right to reciprocal use of all Planet Fitness stores, can bring a friend with them each time they work out, and have access to massage beds and chairs and tanning, among other benefits. PF Black Card benefits extend beyond our store as well, with exclusive specials and discount offers from third-party retail partners like Reebok and Regis Corporation hair salons. While some of our memberships require a cancellation fee, we offer, and require our franchisees to offer, a non-committal membership option.

As reflected below, our total membership has grown from approximately 2.3 million members to 6.1 million from December 31, 2010 to December 31, 2014, reflecting a 27.6% CAGR, and our average members per store has grown from 5,858 to 6,607 over the same period.



As of March 31, 2015, we had more than 7.1 million members. We utilize EFT as our primary method of collecting monthly dues and annual membership fees. Over 75% of membership fee payments to our corporate-owned and franchise stores are collected via ACH direct debit. We believe there are certain advantages to receiving a higher concentration of ACH payments, as compared to credit cards payments, including less frequent expiration of billing information and reduced exposure to subjective chargeback or dispute claims and fees. Due to our scale and negotiating power, we believe that our third party payment processors offer a competitive bundle of transaction pricing and support services to our franchisees while facilitating revenue collection by us.

Our stores

We had 976 stores system-wide as of March 31, 2015, of which 919 were franchised and 57 were corporate-owned, located in 47 states, Puerto Rico and Canada. The map below shows our franchisee-owned stores by location, and the accompanying table shows our corporate-owned stores by location.



Under signed ADAs, as of March 31, 2015 franchisees have committed to open more than 1,000 additional stores in the United States. We are also beginning to explore international opportunities. We have opened two corporate-owned locations in Canada as of March 31, 2015 and have signed ADAs to develop numerous additional franchise stores in Canada.

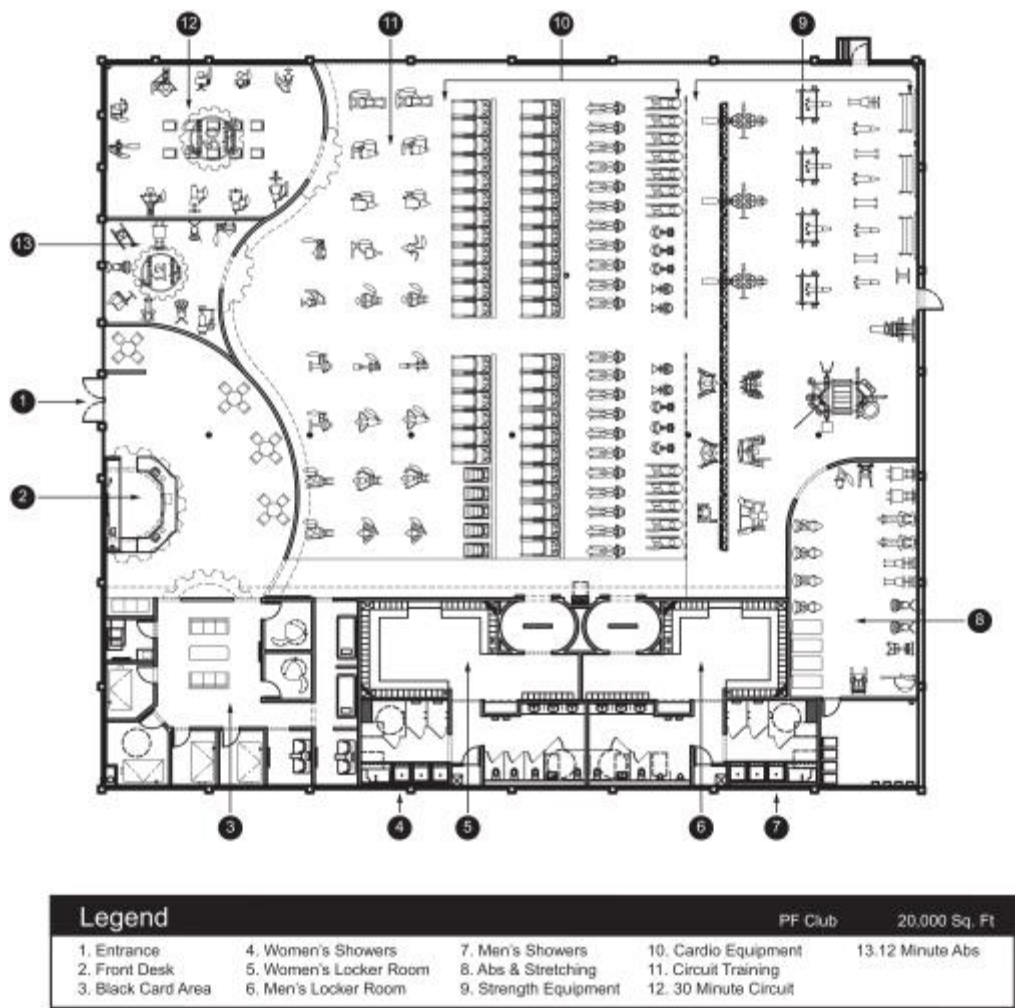
Our format

Many traditional gyms include expensive add-ons such as pools, group exercise rooms, daycare facilities and juice bars that require additional maintenance expense and staffing. We have removed these unnecessary and expense-adding facilities and services and replaced them with additional cardio and strength equipment, which we believe allows us to serve more members without imposing time limits on equipment use. We believe our streamlined offerings appeal to the core needs of most gym users, especially first-time or occasional gym users.

Our stores are designed and outfitted to match our brand philosophy, with bright, bold purple and yellow color schemes and purple and yellow Planet Fitness-branded equipment and amenities. Our typical store is 20,000 square feet in single or multi-level retail space. Our stores generally include at least 75 to 100 pieces of co-branded cardio equipment, free weights, strength machines, a 30-minute circuit workout area and a 12-minute abdominal workout area, a small retail area and a drink cooler. For our PF Black Card members, our stores also feature a PF Black Card spa area with total body enhancement machines, massage beds or chairs and tanning.

Table of Contents

The following is an example of the layout of our stores:



Store model

Our store model is designed to generate attractive four-wall EBITDA margins, strong free cash flow and high returns on invested capital for both our corporate-owned and franchise stores. Based on survey data from franchisees relating to over 200 stores for 2013 and management estimates, we believe that our franchise stores achieve store-level profitability in line with our corporate-owned store base. The stores included in this survey represent those stores that voluntarily disclosed such information in response to our request, and we believe this information reflects a representative sample of franchisees based on the franchisee groups and geographic areas represented by these stores. Our average four-wall EBITDA margins for our corporate-owned stores have increased significantly since 2010, driven by higher average members per store as well as a higher percentage of PF Black Card members, which leverages our fixed costs. In 2014, our corporate-owned stores had segment EBITDA margin of 37.3% and had AUVs of approximately \$1.6 million with four-wall EBITDA margins of approximately 41%, or approximately 36% after applying the 5% royalty rate under our current franchise agreement. Based on survey data and management analysis, franchisees have historically earned, and we believe can continue to earn, in their second year of operations, on average, a cash-on-cash return on unlevered (i.e., not debt-financed) initial investment greater than 25% after royalties and advertising, which is in line with our corporate-owned stores. A franchisee's initial investment includes fitness equipment purchased

Table of Contents

from us as well as costs for non-fitness equipment and leasehold improvements. The attractiveness of our franchise model is further evidenced by the fact that 87% of our new stores in 2014 were opened by our existing franchisee base. We believe that our strong store-level economics are important to our ability to attract and retain successful franchisees and grow our store base.

Throughout our 23-year history, we and our franchisees have never closed a store that was in compliance with our brand requirements due primarily to financial underperformance, although we have closed a test location and debranded stores for non-compliance with our brand standards and franchise stores have sold to other brands, consolidated or relocated stores with our permission.

Fitness equipment

We provide our members with high-quality, Planet Fitness-branded fitness equipment from leading suppliers. In order to maintain a consistent experience across our store base, we stipulate specific pieces and quantities of cardio and strength-training equipment and provide general guidelines for layout and placement. Due to our scale, we are able to negotiate competitive pricing and secure extended warranties from our suppliers. As a result, we believe we offer equipment at more attractive pricing than franchisees could otherwise secure on their own.

Leases

We lease all of our corporate-owned stores and our corporate headquarters. Our store leases typically have initial terms of 10 years with two five-year renewal options, exercisable in our discretion. Our corporate headquarters are located at 26 Fox Run Road, Newington, New Hampshire and serve as our base of operations for substantially all of our executive management and employees who provide our primary corporate support functions, including finance, legal, marketing, technology, real estate, development and human resources.

Franchisees own or directly lease from a third-party each Planet Fitness franchise location. We do not own or enter into leases for Planet Fitness franchise stores and generally do not guarantee franchisees' lease agreements, although we have done so in a few isolated instances.

Franchising

Franchising strategy

We rely heavily on our franchising strategy to develop new Planet Fitness stores, leveraging the ownership of entrepreneurs with specific local market expertise and requiring a relatively minimal capital commitment by us. As of March 31, 2015, there were 919 franchised Planet Fitness stores operated by 187 franchisee groups. The majority of our existing franchise operators are multi-unit operators. As of March 31, 2015, 88% of all franchise stores were owned and operated by a franchisee group that owns at least three stores. However, while our largest franchisee owns 47 stores, only 9% of our franchisee groups own more than ten stores. When considering a potential franchisee, we generally evaluate the potential franchisee's prior experience in franchising or other multi-unit businesses, history in managing profit and loss operations, financial history and available capital and financing. We generally do not permit franchisees to borrow more than 80% of the initial investment for their Planet Fitness business.

Area development agreements

An ADA specifies the number of Planet Fitness stores to be developed by the franchisee in a designated geographic area, and requires the franchisee to meet certain scheduled deadlines for the development and opening of each

Table of Contents

Planet Fitness store authorized by the ADA. If the franchisee meets those obligations, we agree not to, during the term of the ADA, operate or franchise new Planet Fitness stores in the designated geographic area. The franchisee must sign a separate franchise agreement with us for each Planet Fitness store developed under an ADA, and that franchise agreement governs the franchisee's right to own and operate the Planet Fitness store.

Franchise agreements

For each franchised Planet Fitness store, we enter into a franchise agreement covering standard terms and conditions. Planet Fitness franchisees are not granted an exclusive area or territory under the franchise agreement. The franchise agreement requires that the franchisee operate the Planet Fitness store at a specific location and in compliance with our standard methods of operation, including providing the services, using the vendors, and selling the merchandise that we require. The typical franchise agreement has a 10-year term. Additionally, franchisees must purchase equipment from us and replace the fitness equipment in their stores every four to seven years and periodically refurbish and remodel their stores.

We currently require each franchisee to designate a responsible owner or an approved operator for each Planet Fitness store that will have primary management authority for that store. We require these franchisees to complete our initial and ongoing training programs, including minimum periods of classroom and on-the-job training.

Site selection and approval

Our stores are generally located in free-standing retail buildings or neighborhood shopping centers, and we consider locations in both high- and low-density markets. We seek out locations with (i) high visibility and accessibility, (ii) favorable traffic counts and patterns, (iii) availability of signage, (iv) ample parking or access to public transportation and (v) our targeted demographics. Our site analytics tools provide us with extensive demographic data and analysis that we use to review new and existing sites and markets for our corporate-owned stores and franchisees. We assess population density and drive time, current tenant mix, layout, potential competition and cannibalization of existing Planet Fitness stores and comparative data based upon existing stores—all the way down to optimal ceiling heights and HVAC requirements. Our real estate team meets regularly to review sites for future development and follows a detailed approval process to ensure each site aligns with our strategic growth objectives and critical success factors.

We help franchisees select sites and develop facilities in these stores that conform to the physical specifications for a Planet Fitness store. Each franchisee is responsible for selecting a site, but must obtain site approval from us. We primarily learn of new sites in two ways. First, we have a formal site-approval submission process for landlords and franchisees. Each site submitted to us is reviewed by a subcommittee of our real estate team for brand qualifications. Second, we proactively review real estate portfolios for appropriate sites that we may consider for corporate-owned stores or franchisee development, depending upon location. In 2014, we identified and evaluated a total of more than 1,200 sites on this basis.

We are also involved in real estate organizations such as the International Council of Shopping Centers (ICSC), a trade organization for the international shopping center industry. Our membership in ICSC allows us to gather data, meet prospective landlords and further enhance our reputation as a desired tenant for shopping centers in the United States and Canada.

Design and construction

Once we have approved a franchisee's site selection, we assist in the design and layout of the store and track the franchisee's progress from lease signing to grand opening. Franchisees work directly with our franchise

Table of Contents

support team to track key milestones, coordinate with vendors and make equipment purchases. Certain Planet Fitness brand elements are required to be incorporated into every new store, and we strive for a consistent appearance across all of our stores, emphasizing clean, attractive facilities, including full-size locker rooms, and modern equipment. Franchisees must abide by our standards related to fixtures, finishes and design elements, including distinctive touches such as our “Lunk” alarm. We believe these elements are critical to ensure brand consistency and member experience system-wide.

In 2014, based on a sample of U.S. franchisee data, we believe construction of franchise stores averaged approximately 12 weeks. In addition, based upon this sample of 36 stores across a wide range of U.S. geographies, we estimate that franchisees’ unlevered (i.e., not debt-financed) investment in 2014 to open new stores was approximately \$1.9 million. This amount includes fitness equipment purchased from us as well as costs for non-fitness equipment and leasehold improvements from data we received from two general contractors that oversaw the construction of these 36 new stores. Additionally, this amount includes an estimate of other costs that are typically paid by the franchisee and not managed by the general contractor. These amounts can vary significantly depending on a number of factors, including landlord allowances for tenant improvements and construction costs from different geographies.

Franchisee support

We live and breathe the motto *One Team, One Planet* in our daily interactions with franchisees. Our franchise model is streamlined and easy-to-operate, with efficient staffing and minimal inventory, and is supported by an active, engaged franchise operations system. We provide our franchisees with operational support, marketing materials and training resources. Our strong and long-lasting partnership with our franchisees is reflected in the fact that 87% of our new stores in 2014 were opened by our existing franchisee base.

Training . In the past year, we developed Planet Fitness University, a comprehensive training resource to help franchisees operate successful stores. Courses are delivered online, and content focuses on customer service, operational policies, brand standards, cleanliness, crisis management and vendor product information. We are continually adding and improving the content available on Planet Fitness University as a no-cost service to help enhance training programs for franchisees. Additional training opportunities offered to our franchisees include new owner orientation, operations training and workshops held at Planet Fitness headquarters and in stores across the country as well as through webinars.

Operational support and communication . We believe spending quality time with our franchisees in person is an important opportunity to further strengthen our relationships and share best practices. We have dedicated operations and marketing teams providing ongoing support to franchisees. We are hands on—we often attend franchisees’ presales and grand openings, and we host franchisee meetings each year, known as “PF Huddles.” We also communicate regularly with our entire franchisee base to keep them informed, and we host an Annual Franchise Conference every year that is geared towards franchisees and their operations teams.

We regularly communicate with the franchisee advisory groups described below and send a weekly email communication to all franchisees with timely “news you can use” information related to operations, marketing, financing and equipment. Every month, a franchisee newsletter is sent to all franchisees, which includes a personal letter from our Chief Executive Officer, important updates on the business and benchmarking reports.

Franchisee relations . Because our ability to execute our strategy is dependent upon the strength of our relationships with our franchisees, we maintain an ongoing dialogue and strong relationship with two franchise advisory groups, the Franchise Advisory Council (“FAC”) and the Planet Fitness Independent Franchise Association (“PFIFA”). The FAC includes seven franchisees elected by the franchisee base and seven committees consisting of approximately 36 franchisees. The FAC and its committees provide feedback and input on major brand initiatives,

Table of Contents

new product and service introductions, marketing programs and advertising campaigns. FAC leaders have regular dialogue with our executive team and work closely with us to advise on major initiatives impacting the brand. Our strong culture of working together is the driving force behind all we do, and we refer to our franchisees as “raving FANchisees.” In 2014, in cooperation with us, the franchisees also organized PFIFA. PFIFA assists the franchisees and us in working together to develop brand ideas, streamline legal agreements and provide advice on related topics to franchisees on issues such as succession and estate planning.

Compliance with brand standards—Brand Excellence

We have a dedicated Brand Excellence team focused on ensuring that our franchise stores adhere to brand standards and providing ongoing assistance, training and monitoring to those franchisees that have difficulty meeting those standards. We generally perform a detailed Brand Excellence review on each franchise store within 30 to 60 days of opening and each franchise store is generally reviewed at least once per year thereafter. In 2014, our Brand Excellence team performed approximately 922 franchise store reviews covering all franchise ownership groups.

We review stores based on a wide range of criteria ranging from cleanliness to compliance with signage and layout requirements and operational standards. We record the results of each review in a third-party Planet Fitness-branded software system, which automatically sends a Brand Excellence report to the appropriate franchisee. Results are also available to the franchisee through the Brand Excellence software system, which provides access to regional and national benchmarking data, allowing franchisees to compare overall results among their peers as well as results based upon each criterion. Stores that do not receive a passing score are automatically flagged for follow-up by our team and will generally be reevaluated within 30 to 60 days to ensure all identified issues have been addressed. Our Brand Excellence system also enables franchisees to perform, track and benchmark self-assessments and online member surveys through the Brand Excellence software system.

We also use mystery shoppers to perform anonymous Brand Excellence reviews of franchise stores. We generally select franchise stores for review randomly but also target underperforming stores and stores that have not performed well in Brand Excellence reviews.

Marketing

Marketing strategy

Our marketing strategy is anchored by our key brand differentiators—the Judgement Free Zone, our exceptional value and our high-quality experience. We are nationally known for our memorable and creative advertising, which not only drives membership sales, but also showcases our brand philosophy, humor and innovation in the industry. We see Planet Fitness as a community gathering place, and the heart of our marketing strategy is to create a welcoming community for our members.

Marketing spending

National advertising . We support our franchisees both at a national and local level. We manage the U.S. NAF and Canadian advertising fund for franchisees and corporate-owned stores, with the goals of generating national awareness through national advertising and media partnerships, developing and maintaining creative assets to support local sale periods throughout the year, and building and supporting the Planet Fitness community via social media. Our current franchise agreement requires franchisees to contribute 2% of their monthly EFT to the NAF. Since the NAF was founded in September 2011, it has enabled us to spend

Table of Contents

approximately \$49.5 million to increase national brand awareness, including \$21.1 million in 2014. We believe this is a powerful marketing tool as it allows us to increase brand awareness in new and existing markets.

Local marketing . Our current franchise agreement requires franchisees to spend 7% of their monthly EFT on local marketing to support promotional sale periods throughout the year. We also strongly encourage franchisees to form regional marketing cooperatives to maximize the impact of their marketing spending. Our corporate-owned stores contribute to, and participate in, regional marketing cooperatives with franchisees where practical. All franchise stores are supported by our dedicated franchisee marketing team, which provides guidance, tracking, measurement and advice on best practices. Franchisees spend their marketing dollars in a variety of ways to promote business at their stores on a local level. These methods typically include media vehicles that we do not use nationally, including direct mail, outdoor (including billboards) and radio advertisements and local partnerships and sponsorships.

Social media

We have an engaged social media community, which we believe further raises brand awareness and creates community among our members. We maintain a corporate Facebook page and are active on Twitter and Instagram and seek to engage frequently and personally with our members online. In addition to our national corporate Facebook page, each store has a local Facebook page where it can directly engage with its members.

Media partnerships

Given our scale and marketing resources through our national advertising fund, we have aligned ourselves with high-profile media partners who have helped to extend the reach of our brand. Through a four-year partnership with “The Biggest Loser,” a national television show running on NBC where competitors strive to lose weight and learn to live a healthier lifestyle, we showcased the power of our Judgement Free Zone in enabling everyday people (including those who may have never considered joining a gym before) to achieve healthier lifestyles. The partnership included Planet Fitness-branded fitness equipment and logos on air, in-store integrations with trainers and contestants, digital advertising on NBC, local appearances of contestants and other promotions. We also partnered with “Dick Clark’s New Year’s Rockin’ Eve with Ryan Seacrest” to ring in the New Year in 2015. Through on-air verbal mentions, a celebrity integration with host Jenny McCarthy and brand visuals in Times Square, we encouraged everyone to have a “Judgement Free” New Year with us.

Charitable partnerships

We believe strongly in giving back to the communities we serve. Over the past five years, Planet Fitness and our franchisees have supported the Breast Cancer Research Foundation at a national level and donated approximately \$2.0 million to this cause, as well as other organizations, including the Make-A-Wish Foundation. Our franchisees also donate to and support a variety of local organizations, including youth sports groups and various non-profits.

Competition

In a broad sense, because many of our members are first-time or occasional gym-goers, we believe we compete with both fitness and non-fitness consumer discretionary spending alternatives for members’ and prospective members’ time and discretionary resources.

To a great extent, we also compete with other industry participants, including:

- other fitness centers;

Table of Contents

- recreational facilities established by non-profit organizations such as YMCAs and by businesses for their employees;
- private studios and other boutique fitness offerings;
- racquet, tennis and other athletic clubs;
- amenity and condominium/apartment clubs; country clubs;
- online personal training and fitness coaching;
- the home-use fitness equipment industry;
- local tanning salons; and
- businesses offering similar services.

The health club industry is highly competitive and fragmented, and the number, size and strength of competitors vary by region. Some of our competitors have national name recognition or an established presence in local markets, and some are established in markets in which we have existing stores or intend to locate new stores. These risks are more significant in Canada, where we have a limited number of stores and limited brand recognition.

We compete primarily based upon the membership value proposition we are able to offer due to our significant economies of scale, high-quality fitness experience, judgement-free atmosphere and superior customer service, all at an exceptional value, which we believe differentiates us from our competitors.

Our competition continues to increase as we continue to expand into new markets and add stores in existing markets. See also “Risk Factors—Risks related to our business and industry—The high level of competition in the health and fitness industry could materially and adversely affect our business.”

Suppliers

Franchisees are required to purchase fitness equipment from us and are required to purchase various other items from vendors that we approve. We sell equipment purchased from third-party equipment manufacturers to franchise stores. We also have two suppliers of tanning beds, one supplier of massage beds and chairs, and various suppliers of non-fitness equipment and miscellaneous items such as towels and t-shirts. These vendors arrange for delivery of products and services directly to franchise stores. From time to time, we re-evaluate our supply relationships to ensure we obtain competitive pricing and high-quality equipment and other items.

Employees

As of March 31, 2015, we employed 688 employees at our corporate-owned stores and 154 employees at our corporate headquarters located at 26 Fox Run Road, Newington, New Hampshire. None of our employees is represented by labor unions, and we believe we have an excellent relationship with our employees.

Planet Fitness franchises are independently owned and operated businesses. As such, employees of our franchisees are not employees of the Company.

Information technology and systems

All stores use a computerized, third-party hosted store management system to process new in-store memberships, bill members, update member information, check-in members, process point of sale transactions

Table of Contents

as well as track and analyze sales, membership statistics, cross-store utilization, member tenure, amenity usage, billing performance and demographic profiles by member. Our websites are hosted by third parties, and we also rely on third-party vendors for related functions such as our system for processing new online memberships, updating member information and making online payments. We believe these systems are scalable to support our growth plans.

Our back-office computer systems are comprised of a variety of technologies designed to assist in the management and analysis of our revenues, costs and key operational metrics as well as support the daily operations of our headquarters. These include third-party hosted systems that support our real estate and construction processes, a third-party hosted financial system, a third-party hosted data warehouse and business intelligence system to consolidate multiple data sources for reporting, advanced analysis, and financial analysis and forecasting, a third-party hosted payroll system, and an on-premises call center solution to manage and track member-related requests.

We also provide our franchisees access to a web-based, third-party hosted custom franchise management system to receive informational notices, operational resources and updates, training materials and other franchisee communications. In 2015, we initiated a project to replace our existing franchise management system and consolidate several back-office systems, including our call center solution, onto a third-party hosted platform to drive greater cross-system integration and efficiency and provide a scalable platform to support our growth plans. We anticipate the majority of this project will be completed in 2015.

We recognize the value of enhancing and extending the uses of information technology in virtually every area of our business. Our information technology strategy is aligned to support our business strategy and operating plans. We maintain an ongoing comprehensive multi-year program to replace or upgrade key systems, enhance security and optimize their performance.

Intellectual property

We own many registered trademarks and service marks in the United States and in other countries. We believe the Planet Fitness name and the many distinctive marks associated with it are of significant value and are very important to our business.

Accordingly, as a general policy, we pursue registration of our marks in select international jurisdictions, monitor the use of our marks in the United States and internationally and vigorously oppose any unauthorized use of the marks.

We license the use of our marks to franchisees, third-party vendors and others through franchise agreements, vendor agreements and licensing agreements. These agreements restrict third parties' activities with respect to use of the marks and impose brand standards requirements. We require licensees to inform us of any potential infringement of the marks.

We register some of our copyrighted material and otherwise rely on common law protection of our copyrighted works. Such copyrighted materials are not material to our business.

We also license some intellectual property from third parties for use in our stores but such licenses are not material to our business.

Government regulation

We and our franchisees are subject to various U.S. federal, state and local laws, as well as Canadian national, provincial and local laws, affecting our business.

We are subject to the FTC Franchise Rule promulgated by the FTC that regulates the offer and sale of franchises in the United States and requires us to provide to all prospective franchisees certain mandatory disclosure in a

Table of Contents

FDD. In addition, we are subject to state franchise sales laws in approximately 14 states that regulate the offer and sale of franchises by requiring us to make a franchise filing or obtain franchise registration prior to our making any offer or sale of a franchise in those states and to provide a FDD to prospective franchisees in accordance with such laws.

We are subject to franchise sales laws in five provinces in Canada that regulate the offer and sale of franchises by requiring us to provide a FDD in a prescribed format to prospective franchisees in accordance with such laws, and that regulate certain aspects of the franchise relationship. We are also subject to franchise relationship laws in over 20 states that regulate many aspects of the franchisor-franchisee relationship, including renewals and terminations of franchise agreements, franchise transfers, the applicable law and venue in which franchise disputes must be resolved, discrimination, and franchisees' right to associate, among others.

We and our franchisees are also subject to the U.S. Fair Labor Standards Act of 1938, as amended, and various other laws in the United States and Canada governing such matters as minimum-wage requirements, overtime and other working conditions. A significant number of our and our franchisees' employees are paid at rates related to the U.S. federal minimum wage, and past increases in the U.S. federal minimum wage have increased labor costs, as would future increases.

Our and our franchisees' operations and properties are subject to extensive U.S. and Canadian federal, state, provincial and local laws and regulations, including those relating to environmental, building and zoning requirements. Our and our franchisees' development of properties depends to a significant extent on the selection and acquisition of suitable sites, which are subject to zoning, land use, environmental, traffic and other regulations and requirements.

We and our franchisees are responsible at stores we each operate for compliance with state laws that regulate the relationship between health clubs and their members. Nearly all states have consumer protection regulations that limit the collection of monthly membership dues prior to opening, require certain disclosures of pricing information, mandate the maximum length of contracts and "cooling off" periods for members (after the purchase of a membership), set escrow and bond requirements for health clubs, govern member rights in the event of a member relocation or disability, provide for specific member rights when a health club closes or relocates, or preclude automatic membership renewals.

We and our franchisees primarily accept payments for our memberships through electronic fund transfers from members' bank accounts, and, therefore, we and our franchisees are subject to both federal and state legislation and certification requirements, including the Electronic Funds Transfer Act. Some states, such as New York and Tennessee, have passed or have considered legislation requiring gyms and health clubs to offer a prepaid membership option at all times and/or limit the duration for which gym memberships can auto-renew through EFT payments, if at all. Our business relies heavily on the fact that our memberships continue on a month-to-month basis after the completion of any initial term requirements (if any), and compliance with these laws, regulations, and similar requirements may be onerous and expensive, and variances and inconsistencies from jurisdiction to jurisdiction may further increase the cost of compliance and doing business. States that have such health club statutes provide harsh penalties for violations, including membership contracts being void or voidable.

Additionally, the collection, maintenance, use, disclosure and disposal of individually identifiable data by our, or our franchisees', businesses are regulated at the federal, state and provincial levels as well as by certain financial industry groups, such as the Payment Card Industry Organization and the NACHA. Federal, state and financial industry groups may also consider from time to time new privacy and security requirements that may apply to our businesses and may impose further restrictions on our collection, disclosure and use of individually identifiable information that are housed in one or more of our databases.

Table of Contents

Many of the states where we and our franchisees operate stores have health and safety regulations that apply to health clubs and other facilities that offer indoor tanning services. In addition, U.S. federal healthcare legislation signed into law in March 2010 contains a 10% excise tax on indoor tanning services. Under the rule promulgated by the IRS imposing the tax, a portion of the cost of memberships that include access to our tanning services are subject to the tax.

Legal proceedings

We are involved in various claims and legal actions that arise in the ordinary course of business. We do not believe that the ultimate resolution of these actions will have a material adverse effect on our financial position, results of operations, liquidity and capital resources.

Management

Executive officers and directors

Below is a list of the names, ages, positions and a brief account of the business experience of the individuals who serve as our executive officers and directors as of the date of this prospectus.

Name	Age	Position
Chris Rondeau	42	Chief Executive Officer and Director
Dorvin Lively	56	Chief Financial Officer
Richard Moore	44	Chief Administrative Officer and General Counsel
Marc Grondahl	48	Director
Charles Esserman	56	Director
Pierre LeComte	42	Director
Michael Layman	32	Director
Edward Wong	32	Director
Stephen Spinelli, Jr.	60	Director

Chris Rondeau has served as our Chief Executive Officer since January 2013. He previously served as our Chief Operating Officer since 2003. Mr. Rondeau joined Planet Fitness in 1993, one year after our original founders, Michael and Marc Grondahl, started the Company in 1992. Throughout the years, he has played a critical role working side by side with them to develop and refine the unique, low-cost/high-value business model and lean operating system that we believe revolutionized both the fitness and franchising industry. Because of his leadership experience, role as Chief Executive Officer and history with Planet Fitness, we believe Mr. Rondeau is well qualified to serve on our board of directors.

Dorvin Lively has served as our Chief Financial Officer since July 2013. Mr. Lively, a 30-year veteran of corporate finance for various retail and consumer-products companies, leads our finance, treasury, financial planning and supply chain functions, as well as strategic and long-term planning. Prior to joining Planet Fitness, from August 2011 to July 2013 Mr. Lively served as Executive Vice President, Chief Financial Officer, interim Chief Executive Officer and Chief Administrative Officer for RadioShack Corporation. In these positions, Mr. Lively led the company's finance, treasury, financial planning, investor relations, supply chain and dealer franchise functions. Prior to RadioShack, Mr. Lively served as Chief Financial Officer at Ace Hardware Corp. His experience also includes previous positions at Maidenform Brands, Toys R Us, The Reader's Digest Association and Pepsi-Cola International. Mr. Lively is a Certified Public Accountant (Inactive) and received his Bachelor's Degree from the University of Arkansas.

Richard Moore has served as our Chief Administrative Officer and General Counsel since early 2013, after serving as our General Counsel beginning in 2012. Previously, Mr. Moore spent five years at Ropes & Gray LLP, focusing on private equity transactions, private investment fund formation, public offerings and public company portfolio management. He also successfully led Planet Fitness through the sale to TSG in November 2012. In his role as Chief Administrative Officer, Mr. Moore is responsible for assisting the Chief Executive Officer in building out our leadership and management team and is responsible for managing the Planet Fitness Worldwide Headquarters, with a focus on creating an infrastructure to support our continued growth and expansion. Mr. Moore received his Bachelor's Degree from Duke University and his J.D. from Northeastern University School of Law.

Table of Contents

Marc Grondahl has served on our board of directors since November 2012. He is one of our co-founders and joined the business in 1992. For 20 years, Mr. Grondahl, alongside his brother, Michael Grondahl, and Chief Executive Officer, Chris Rondeau, developed and refined the successful Planet Fitness business model we have today. Throughout the years, Mr. Grondahl oversaw the financial and strategic planning for the organization, and in 1998, he was named Chief Financial Officer. Prior to joining our Company in 1992, Mr. Grondahl worked at a manufacturing company as a cost accountant. He received his Bachelor's Degree in business administration from Bryant College. Because of his extensive experience and understanding of the Planet Fitness business, we believe Mr. Grondahl is well qualified to serve on our board of directors.

Charles Esserman has served on our board of directors since November 2012. Mr. Esserman serves as Chief Executive Officer of TSG, of which he is a founder. He has over 25 years of private equity investment experience and, together with the partners of TSG, built one of the first consumer-focused private equity funds in the United States. Mr. Esserman helps oversee current and prospective portfolio investments for TSG and is Chair of TSG's Investment Committee. Prior to TSG, Mr. Esserman was with Bain & Company, a management consulting company. He is a member of the Board of Overseers of the Hoover Institution and the Board of Trust of Vanderbilt University. Mr. Esserman received his Bachelor's Degree in computer science engineering from the Massachusetts Institute of Technology and an MBA from Stanford, where he was an Arjay Miller Scholar. Because of his experience in portfolio investments and consumer brands, we believe Mr. Esserman is well qualified to serve on our board of directors.

Pierre LeComte has served on our board of directors since November 2012. Mr. LeComte has served as Managing Director of TSG since 2009 and is a member of TSG's Investment Committee. Mr. LeComte was formerly with Bain & Company, where he led strategic diligence teams in the private equity practice and worked across consumer and retail sectors. Prior to joining Bain, Mr. LeComte worked in brand management with Yahoo! and the Nabisco Biscuit Company, and was a consumer goods and retail consultant with the New England Consulting Group. Mr. LeComte was previously a director of Yard House Restaurants, overseeing its rapid growth from a regional chain to a national brand now owned by Darden Restaurants. Mr. LeComte received his Bachelor's Degree in Economics from the Wharton School at the University of Pennsylvania and an M.B.A. from the Kellogg Graduate School of Management at Northwestern University. Because of his extensive experience in brand management and retail concepts, we believe Mr. LeComte is well qualified to serve on our board of directors.

Michael Layman has served on our board of directors since March 2015. Mr. Layman has served in multiple roles at TSG since 2009, including most recently as Senior Vice President, and is responsible for conducting due diligence for new business opportunities, structuring transactions and working with TSG's partner companies across consumer and retail industries. Prior to joining TSG, Mr. Layman was an investment banker with Jefferies & Company, where he worked on a variety of advisory and capital markets transactions for restaurant companies, including franchisors. Prior to Jefferies, Mr. Layman was an investment banker with Wachovia Securities, covering the restaurant and retail industries. Mr. Layman received his Bachelor of Science in Accountancy, summa cum laude, from the WP Carey School of Business at Arizona State University. Because of his experience with consumer brands and franchisors, we believe Mr. Layman is well qualified to serve on our board of directors.

Edward Wong has served on our board of directors since November 2012. He has served as a Vice President of TSG since 2011 and works with its partner companies and is involved in the origination, structuring and due diligence of new investment opportunities. Prior to joining TSG, Mr. Wong was with Falconhead Capital, a private equity fund focused on investing in the consumer, retail and media sectors. Prior to Falconhead, Mr. Wong was an investment banker at Citigroup, where he was focused on advising clients on mergers and acquisitions and capital markets transactions in the consumer and retail industries. Mr. Wong received his Bachelor of Business Administration, with high distinction, from The Ross School of Business at the University of Michigan. Because of his experience in consumer brands, we believe Mr. Wong is well qualified to serve on our board of directors.

Stephen Spinelli, Jr. has served on our board of directors since January 2012. He currently serves as President of Philadelphia University, a position he has held since June of 2007. Dr. Spinelli co-founded Jiffy Lube International, Inc. in 1979 under the leadership of his college football coach. Three years later, Dr. Spinelli became a franchisee and remained a director of the Company. He grew to become Jiffy Lube's largest franchisee. Dr. Spinelli has also previously served as Chief Executive Officer of the American Oil Change Corporation. He received his Ph.D. in economics from The Management School, Imperial College, University of London, his M.B.A. from Babson College and his Bachelor's Degree in Economics from McDaniel College. Because of his experience in franchising and as an entrepreneur, we believe Dr. Spinelli is well qualified to serve on our board of directors.

Board composition and director independence

Our business and affairs are managed under the direction of the board of directors. Upon the closing of this offering, our certificate of incorporation will provide that our board of directors shall consist of at least three directors but not more than 15 directors and that the number of directors may be fixed from time to time by resolution of our board of directors. Our board of directors will be divided into three classes, as follows:

- Class I, which will initially consist of _____, whose terms will expire at our annual meeting of stockholders to be held in 2016;
- Class II, which will initially consist of _____, whose terms will expire at our annual meeting of stockholders to be held in 2017; and
- Class III, which will initially consist of _____, whose terms will expire at our annual meeting of stockholders to be held in 2018.

Upon the expiration of the initial term of office for each class of directors, each director in such class shall be elected for a term of three years and serve until a successor is duly elected and qualified or until his or her earlier death, resignation or removal. Any additional directorships resulting from an increase in the number of directors or a vacancy may be filled by the directors then in office.

In connection with this offering, we will enter into a stockholders agreement with investment funds affiliated with TSG governing their nomination rights with respect to our board of directors following this offering. Under the agreement, we are required to take all necessary action to cause the board of directors to include individuals designated by TSG in the slate of nominees recommended by the board of directors for election by our stockholders, as follows:

- for so long as TSG owns at least 50% of the shares of our Class A and Class B common stock held by TSG prior to the completion of this offering, TSG will be entitled to (i) designate four individuals for nomination and (ii) request to expand the size of the board of directors and fill resulting vacancies such that TSG nominees comprise a majority of our board of directors;
- for so long as TSG owns less than 50% but at least 25% of the shares of our Class A and Class B common stock held by TSG prior to the completion of this offering, TSG will be entitled to designate three individuals for nomination;
- for so long as TSG owns less than 25% but at least 10% of the shares of our Class A and Class B common stock held by TSG prior to the completion of this offering, TSG will be entitled to designate two individuals for nomination; and
- for so long as TSG owns less than 10% but at least 5% of the shares of our Class A and Class B common stock held by TSG prior to the completion of this offering, TSG will be entitled to designate one individual for nomination.

Table of Contents

TSG will also have the exclusive right to remove its designees and to fill vacancies created by the removal or resignation of its designees, and we are required to take all necessary action to cause such removals and fill such vacancies at the request of TSG.

Following the completion of this offering, we will be a “controlled company” under the rules of the NYSE because more than 50% of the voting power of our common stock will be held by investment funds affiliated with TSG. See “Principal and selling stockholders.” We intend to rely upon the “controlled company” exception relating to the board of directors and committee independence requirements under the rules of the NYSE. Pursuant to this exception, we will be exempt from the rules that would otherwise require that our board of directors consist of a majority of independent directors and that our compensation committee and nominating and governance committee be composed entirely of independent directors. The “controlled company” exception does not modify the independence requirements for the audit committee, and we intend to comply with the requirements of the Exchange Act and the rules of the NYSE, which require that our audit committee have at least one independent director upon consummation of this offering, consist of a majority of independent directors within 90 days following the effective date of the registration statement of which this prospectus forms a part and exclusively of independent directors within one year following the effective date of the registration statement of which this prospectus forms a part.

Our board of directors has determined that Mr. Spinelli is an independent director under the rules of the NYSE. In making this determination, the board of directors considered the relationships that Mr. Spinelli has with our Company and all other facts and circumstances that the board of directors deemed relevant in determining his independence, including ownership interests in us.

Board committees

Upon the completion of this offering, our board of directors will have three standing committees: the audit committee; the compensation committee; and the nominating and corporate governance committee. Each of the committees operates under its own written charter adopted by the board of directors, each of which will be available on our website upon completion of this offering. Under our stockholders agreement, following this offering TSG will have the right to appoint a director to serve on each of our committees (other than the audit committee), subject to NYSE and SEC rules.

Audit committee

Following this offering, our audit committee will be composed of _____, with _____ serving as chairman of the committee. We anticipate that, prior to the completion of this offering, our audit committee will determine that _____ meets the definition of “independent director” under the rules of the NYSE and under Rule 10A-3 under the Exchange Act. Within 90 days following the effective date of the registration statement of which this prospectus forms a part, we anticipate that the audit committee will consist of a majority of independent directors, and within one year following the effective date of the registration statement of which this prospectus forms a part, the audit committee will consist exclusively of independent directors. None of our audit committee members simultaneously serves on the audit committees of more than three public companies, including ours. Our board of directors has determined that _____ is an “audit committee financial expert” within the meaning of the SEC’s regulations and applicable listing standards of the NYSE. The audit committee’s responsibilities upon completion of this offering will include:

- appointing, approving the compensation of, and assessing the qualifications, performance and independence of our independent registered public accounting firm;
- pre-approving audit and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;

Table of Contents

- reviewing the audit plan with the independent registered public accounting firm and members of management responsible for preparing our financial statements;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as critical accounting policies and practices used by us;
- reviewing the adequacy of our internal control over financial reporting;
- reviewing all related person transactions for potential conflict of interest situations and approving all such transactions;
- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;
- recommending, based upon the audit committee's review and discussions with management and the independent registered public accounting firm, the inclusion of our audited financial statements in our Annual Report on Form 10-K;
- reviewing and assessing the adequacy of the committee charter and submitting any changes to the board of directors for approval;
- monitoring our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters;
- preparing the audit committee report required by the rules of the SEC to be included in our annual proxy statement; and
- reviewing and discussing with management and our independent registered public accounting firm our earnings releases.

Compensation committee

Following this offering, our compensation committee will be composed of _____, with _____ serving as chairman of the committee. The compensation committee's responsibilities upon completion of this offering will include:

- determining and approving the compensation of our chief executive officer, including annually reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer, and evaluating the performance of our chief executive officer in light of such corporate goals and objectives;
- reviewing and approving the corporate goals and objectives relevant to the compensation of our other executive officers;
- reviewing and approving the compensation of our other executive officers;
- appointing, compensating and overseeing the work of any compensation consultant, legal counsel or other advisor retained by the compensation committee;
- conducting the independence assessment outlined in the rules of the NYSE with respect to any compensation consultant, legal counsel or other advisor retained by the compensation committee;
- reviewing and assessing the adequacy of the committee charter and submitting any changes to the board of directors for approval;

Table of Contents

- reviewing and establishing our overall management compensation philosophy and policy;
- overseeing and administering our equity compensation and similar plans;
- reviewing and approving our policies and procedures for the grant of equity-based awards and granting equity awards;
- reviewing and making recommendations to the board of directors with respect to director compensation; and
- reviewing and discussing with management the compensation discussion and analysis to be included in our annual proxy statement or Annual Report on Form 10-K.

Nominating and corporate governance committee

Following this offering, our nominating and corporate governance committee will be composed of _____, with _____ serving as chairman of the committee. The nominating and corporate governance committee's responsibilities upon completion of this offering will include:

- developing and recommending to the board of directors criteria for board and committee membership;
- establishing procedures for identifying and evaluating board of director candidates, including nominees recommended by stockholders;
- identifying individuals qualified to become members of the board of directors;
- recommending to the board of directors the persons to be nominated for election as directors and to each of the board's committees;
- developing and recommending to the board of directors a set of corporate governance principles;
- articulating to each director what is expected, including reference to the corporate governance principles and directors' duties and responsibilities;
- reviewing and recommending to the board of directors practices and policies with respect to directors;
- reviewing and recommending to the board of directors the functions, duties and compositions of the committees of the board of directors;
- reviewing and assessing the adequacy of the committee charter and submitting any changes to the board of directors for approval;
- provide for new director orientation and continuing education for existing directors on a periodic basis;
- performing an evaluation of the performance of the committee; and
- overseeing the evaluation of the board of directors and management.

Board oversight of risk management

While the full board of directors has the ultimate oversight responsibility for the risk management process, its committees oversee risk in certain specified areas. In particular, our audit committee oversees management of enterprise risks as well as financial risks. Our compensation committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements and the incentives created by the compensation awards it administers. Our nominating and corporate governance committee

Table of Contents

oversees risks associated with corporate governance, business conduct and ethics, and is responsible for overseeing the review and approval of related party transactions. Pursuant to the board of directors' instruction, management regularly reports on applicable risks to the relevant committee or the full board of directors, as appropriate, with additional review or reporting on risks conducted as needed or as requested by the board of directors and its committees.

Compensation committee interlocks and insider participation

None of the members of our compensation committee has at any time during the prior three years been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee. For a description of transactions between us and members of our compensation committee and affiliates of such members, see "Certain relationships and related party transactions."

Code of conduct

We have adopted a code of conduct that applies to all of our employees, including our principal executive officer and principal financial officer. In connection with this offering, we will make our code of conduct available on our website. We intend to disclose any amendments to our codes, or any waivers of their requirements, on our website.

Executive compensation

This section describes the compensation awarded to, earned by, or paid to our Chief Executive Officer, Christopher Rondeau, and our two most highly compensated executive officers (other than Mr. Rondeau), our Chief Financial Officer, Dorvin Lively, and our Chief Administrative Officer and General Counsel, Richard Moore, who collectively are referred to in this prospectus as our “named executive officers”. During 2014, our named executive officers received compensation and benefits from Pla-Fit Holdings, LLC (“Pla-Fit”) and its subsidiaries. The board of managers of Pla-Fit (referred to as our board for purposes of this executive compensation discussion) was responsible for making decisions regarding the compensation of our named executive officers.

Summary compensation table

The following table sets forth information concerning the compensation awarded or paid to our named executive officers for fiscal 2014.

Name and principal position	Year	Salary (\$)	Non-equity incentive plan compensation (\$) ⁽¹⁾	All other compensation (\$) ⁽²⁾	Total (\$)
Christopher Rondeau <i>Chief Executive Officer</i>	2014	500,000	565,000	23,091	1,088,091
Dorvin Lively <i>Chief Financial Officer</i>	2014	450,000	254,227	24,408	728,635
Richard Moore <i>Chief Administrative Officer and General Counsel</i>	2014	270,538	158,186	26,070	454,794

(1) Amounts represent annual bonuses paid to our named executive officers under our annual bonus program, as described below.

(2) Amounts shown in the “All other compensation” column include the following items, as applicable to each named executive officer for fiscal 2014:

Name	401(k) company match contributions (\$) ^(a)	Tax equalization payments (\$) ^(b)	Specialized accounting services fees reimbursed (\$) ^(c)	Relocation expenses reimbursed (\$) ^(d)	Total (\$)
Christopher Rondeau	—	22,091	1,000	—	23,091
Dorvin Lively	5,486	15,997	1,000	1,925	24,408
Richard Moore	10,400	14,670	1,000	—	26,070

(a) Represents our matching contributions to the Planet Fitness 401(k) Plan (referred to as our 401(k) plan), which is a broad-based tax-qualified defined contribution plan for our U.S.-based employees.

(b) Represents certain tax equalization payments made to our named executive officers to offset self-employment and other additional taxes incurred with respect to 2014 compensation as a result of their being treated as partners rather than employees for U.S. tax purposes.

(c) Represents the reimbursement of fees related to accounting services.

(d) Represents the reimbursement of certain relocation expenses.

2014 base salaries

Each of our named executive officers is paid a base salary reflecting his skill set, experience, role and responsibilities. The base salary of each of our named executive officers is set forth in his employment agreement (described below under “Agreements with our named executive officers—Base salaries and

Table of Contents

performance bonus opportunities”) and is subject to adjustment by our board. The initial base salary for Mr. Moore, as well as the expected increases to such base salary for the first two years following his commencement of employment, are set forth in Mr. Moore’s employment agreement. In 2014, our board approved an increase to Mr. Moore’s base salary from \$265,000 to \$280,000, consistent with the terms of his employment agreement.

2014 performance bonuses

In fiscal 2014, each of our named executive officers was eligible to earn a cash bonus under our cash bonus program based on the achievement of key corporate financial and strategic goals. Pursuant to their employment agreements, the target amount of each named executive officer’s cash bonus is set as a percentage of his base salary. For 2014, the target bonus amount was set at 100% of base salary for Mr. Rondeau and 50% of base salary for each of Messrs. Lively and Moore.

Following the commencement of 2014, our board, after consultation with management, established the corporate performance goals for our 2014 cash bonus program, each having a designated weighting. These corporate performance goals included corporate same store sales, franchise same store sales, franchise openings, earnings before interest, taxes, depreciation and amortization, and capital expenditures. Each performance goal, other than the capital expenditure goal, had a threshold, target and maximum level of achievement and related payout.

The actual amount earned by each named executive officer under our 2014 cash bonus program was determined by our board based on the level of achievement of these goals. The actual amount of the bonuses paid to our named executive officers for fiscal 2014 is set forth above in the Summary compensation table in the column entitled “Non-equity incentive plan compensation.”

Agreements with our named executive officers

We have entered into an employment agreement with Mr. Rondeau, dated November 8, 2012 (and amended January 21, 2013), with Mr. Lively, dated June 28, 2013, and with Mr. Moore, dated July 23, 2012.

Base salaries and performance bonus opportunities

Pursuant to his employment agreement, Mr. Rondeau is entitled to an annual base salary of \$500,000, which is subject to increase by our board. Mr. Rondeau is also eligible to earn an annual cash bonus, which may be set at a target of 50% to 100% of base salary, based upon the achievement of performance goals determined by our board.

Pursuant to his employment agreement, Mr. Lively is entitled to an annual base salary of \$450,000, which is subject to adjustment by our board. Mr. Lively is also eligible to earn an annual cash bonus, with a target of 50% of his annual base salary, based upon the achievement of performance goals determined by our board.

Pursuant to his employment agreement, Mr. Moore was entitled to an initial annual base salary of \$250,000, which has subsequently been increased by our board in accordance with the terms of this agreement to \$280,000. His annual base salary remains subject to increase by our board. Mr. Moore is also eligible to earn an annual cash bonus, which may be set at a target of 25% to 50% of base salary, based upon the achievement of performance goals determined by our board.

Restrictive covenants

Pursuant to their respective employment agreements, our named executive officers are bound by certain restrictive covenants, including covenants relating to confidentiality and assignment of intellectual property

Table of Contents

rights, as well as covenants not to compete with us or to solicit our customers, prospective customers, employees or other service providers during employment and, for Messrs. Lively and Moore, for two years following termination of employment.

Severance

Each employment agreement provides for severance upon a termination of employment by us without cause or the named executive officer for good reason, in each case, conditioned on the named executive officer's timely and effective execution of a separation agreement provided by the Company containing a release of claims and other customary terms and continued performance of the restrictive covenants described above. Messrs. Rondeau and Lively are each entitled to severance consisting of 12 months of continued base salary, payable in the form of salary continuation, and Mr. Rondeau is also entitled to a prorated annual cash bonus for the year of termination based on actual performance. Mr. Moore is entitled to severance consisting of continued base salary and an amount equal to the Company's monthly share of his health care premium payments for a period of between one and six months following termination of employment as determined by good-faith negotiation between the parties with reference to severance amounts typically paid to similarly situated executives in businesses of similar size.

Equity-based compensation

Messrs. Lively and Moore currently hold Class M Common Units in Pla-Fit (the "Class M Units"), granted to them pursuant to the terms of the Management Incentive Plan (described below). The Class M Units are intended to be "profits interests" for U.S. federal income tax purposes. Eighty percent (80%) of the Class M Units generally vest annually over five years from a specified vesting date, and twenty percent (20%) vest upon the occurrence of an initial public offering. All unvested Class M Units are subject to accelerated vesting upon a sale of the Company. None of our named executive officers were granted Class M Units in 2014.

Employee 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 and dental benefits, life insurance benefits and short-term and long-term disability insurance. Our named executive officers participate in these plans on the same basis as other eligible employees. We do not maintain any supplemental health or welfare plans for our named executive officers.

We also provide our named executive officers, together with other key employees, with certain additional limited benefits. The value of these benefits is included above in the "All other compensation" column of the Summary compensation table.

Retirement plans

All of our named executive officers participate in our 401(k) Plan, a broad-based retirement plan in which generally all of our full-time U.S.-based employees are eligible to participate. Under our 401(k) Plan, employees are permitted to defer their annual eligible compensation, subject to the limits imposed by the Internal Revenue Code, and the Company makes a matching contribution of 100% of employee contributions up to the first 3% of compensation, plus 50% of employee contributions up to the next 2% of compensation. We do not maintain any qualified or non-qualified defined benefit plans or supplemental executive retirement plans that cover our named executive officers.

Management Incentive Plan

Effective April 30, 2013, our board approved the Pla-Fit Holdings, LLC 2013 Equity Incentive Plan (the “Management Incentive Plan”). The Management Incentive Plan provides for the grant of Class M Units to selected employees and other persons providing services to Pla-Fit and its subsidiaries. Our board is the administrator of the Management Incentive Plan. At the time of grant of Class M Units, our board will establish a distribution threshold in respect of each unit.

The vesting terms and conditions applicable to the Class M Units granted under the Management Incentive Plan are set forth in individual award agreements. In addition, pursuant to the individual award agreements, each holder of Class M Units agrees to be bound by certain restrictive covenants, including covenants relating to confidentiality and assignment of intellectual property rights, as well as covenants not to compete with us or to solicit our customers, prospective customers, employees or other service providers during employment or service and for 12 months following termination of employment or service.

Upon a termination of employment or other service relationship for any reason, all then unvested Class M Units will be forfeited, and if the termination is for cause or due to a breach of the restrictive covenants, all Class M Units, vested or unvested, will be forfeited. Pla-Fit has the right, following a termination of employment or other service, to repurchase vested Class M Units. The price that Pla-Fit is required to pay for any Class M Unit following a termination of employment or service depends on the circumstances of such termination. In general a holder of vested Class M Units is entitled to receive fair value for his or her vested units; however, any repurchase amount paid is required to be returned to Pla-Fit if the holder later breaches any provisions of the award agreement or the Management Incentive Plan, or breaches the restrictive covenants applicable to him or her, or if Pla-Fit reasonably determines that the holder could have been terminated for cause at the time his or her employment was terminated.

Prior to the completion of this offering, it is expected that all of the outstanding vested and unvested Class M Units in Pla-Fit will be converted into an amount of vested and unvested common units (the “Holdings Units” described above under “The recapitalization transactions—Reclassification”), respectively. Each unvested Holdings Unit will continue to vest following the completion of this offering based on the vesting schedule of the outstanding unvested Class M Unit for which it was exchanged. Pursuant to the terms of the award agreements evidencing the grant of Class M Units, twenty percent (20%) of the Class M Units will vest upon the completion of the offering. Holders of Holdings Units will also receive Class B common stock, as described above under “The recapitalization transactions—Reclassification.” To the extent Holdings Units do not vest in accordance with their terms, the corresponding shares of Class B common stock will be forfeited. Holders of Holdings Units will become subject to certain agreements in connection with this offering, as described below under “Certain relationships and related party transactions.”

Outstanding equity awards at 2014 fiscal year-end

The following table shows the number of Class M Unit awards held by our named executive officers as of December 31, 2014.

Name	Number of Class M Units that have not vested (#)	Market value of Class M Units that have not vested (\$) ⁽⁴⁾
Christopher Rondeau ⁽¹⁾	—	—
Dorvin Lively	132.632 ⁽²⁾	8,707,562
Richard Moore	71.579 ⁽³⁾	5,298,577

(1) Mr. Rondeau does not hold any Class M Units. He holds Class O Common Units in Pla-Fit.

(2) Mr. Lively was granted 157.895 Class M Units on August 13, 2013. 80% of the Class M Units held by Mr. Lively vest in equal installments on each of July 24, 2014, 2015, 2016, 2017 and 2018 and 20% of the Class M Units will vest in connection with an initial public offering (including this offering), subject to his continued employment. Any unvested awards will vest in full upon a sale of the Company, subject to Mr. Lively's continued employment.

(3) Mr. Moore was granted 105.263 Class M Units on April 30, 2013. 80% of the Class M Units held by Mr. Moore vest in equal installments on each of November 8, 2013, 2014, 2015, 2016 and 2017 and 20% of the Class M Units will vest in connection with an initial public offering (including this offering), subject to his continued employment. Any unvested awards will vest in full upon a sale of the Company, subject to Mr. Moore's continued employment.

(4) There is no public market for the Class M Units. The value included in this table is based on the fair market value of a Class M Unit as of December 31, 2014, as determined by our board (taking into account the applicable distribution threshold associated with the Class M Units). As described above, prior to the completion of this offering, the Class M Units will be converted into Holdings Units (with corresponding shares of Class B common stock). Amounts will only be realized in respect of Class M Units to the extent that the vesting conditions described above are satisfied and to the extent they are entitled to distributions under their governing documents.

Director compensation

Our directors who are affiliated with our Sponsor do not receive any compensation for their service on our board. Our board agreed to pay an amount of \$10,000 per year to each of Gov. Benson and Dr. Spinelli, our former and current non-affiliated non-employee directors, respectively, for their service on our board. Gov. Benson resigned from our board in March 2015. In 2014, Dr. Spinelli was also paid \$40,000 for the provision of business and franchise consulting services pursuant to a consulting agreement with the Company dated April 30, 2013, which agreement terminated on December 31, 2014 with no further payment due and owing to Dr. Spinelli under the agreement thereafter. Following the completion of this offering, we plan to establish a formal policy governing the compensation of our non-employee directors.

The following table sets forth information concerning the compensation of our non-employee directors in fiscal 2014. Other than as set forth in the table below, we did not pay any compensation, or make any equity awards or non-equity incentive plan awards, to any of the non-employee members of our board in 2014. Mr. Rondeau receives no additional compensation for his service as a director, and, consequently, is not included in this table. The compensation received by Mr. Rondeau as an employee during 2014 is reflected in the "Summary compensation table" above.

Name	Fees earned or paid in cash (\$) ⁽²⁾	All other compensation (\$) ⁽³⁾	Total (\$) ⁽⁴⁾
Craig Benson ⁽¹⁾	10,000	—	10,000
Stephen Spinelli, Jr. ⁽¹⁾	10,000	40,000	50,000
Charles Esserman	—	—	—
Pierre LeComte	—	—	—
Edward Wong	—	—	—
Marc Grondahl	—	7,582	7,582

Table of Contents

- (1) As of December 31, 2014, Gov. Benson and Dr. Spinelli each held 15.789 Class M Common Units, granted to them on April 30, 2013 (the “Director Units”). 80% of the Director Units vest in equal installments on each of November 8, 2013, 2014, 2015, 2016 and 2017 and 20% of the Director Units will vest in connection with an initial public offering (including this offering), subject to the director’s continued service on the board. Any unvested awards will vest in full upon a sale of the Company, subject to the director’s continued service on the board. As of December 31, 2014, each of Gov. Benson and Dr. Spinelli held 10.737 unvested Class M Units. In connection with Gov. Benson’s resignation from our board, our board amended Gov. Benson’s Director Units to provide that his unvested Class M Units vested in full prior to such resignation.
- (2) Represents the \$10,000 annual fee paid to each of Gov. Benson and Dr. Spinelli for their services on our board.
- (3) Represents consulting fees paid to Dr. Spinelli for consulting services performed for the Company in 2014, pursuant to his consulting agreement with the Company dated April 30, 2013. The consulting agreement with Dr. Spinelli terminated on December 31, 2014. Pursuant to this agreement, the Company paid Dr. Spinelli an annual consulting fee of \$40,000.
- (4) Represents the cost to the Company of health insurance premiums paid on behalf of Mr. Grondahl, who had been an employee of the Company until April 2013. This is a discretionary benefit provided by the Company to Mr. Grondahl.

Other equity and incentive plans

Planet Fitness, Inc. 2015 Omnibus Plan

In connection with this offering, our board of directors intends to adopt the Planet Fitness, Inc. 2015 Omnibus Plan (the “2015 Omnibus Plan”), and, following this offering, all equity-based awards will be granted under the 2015 Omnibus Plan. The following summary describes what we anticipate will be the material terms of the 2015 Omnibus Plan. This summary of the 2015 Omnibus Plan is not a complete description of all provisions of the 2015 Omnibus Plan and is qualified in its entirety by reference to the 2015 Omnibus Plan, a form of which is filed as an exhibit to the registration statement of which this prospectus forms a part.

Administration

The 2015 Omnibus Plan is administered by our compensation committee, which has the authority to, among other things, interpret the 2015 Omnibus Plan, determine eligibility for, grant and determine the terms of awards under the 2015 Omnibus Plan. Our compensation committee’s determinations under the 2015 Omnibus Plan will be conclusive and binding.

Authorized shares

Subject to adjustment, as described below, the maximum number of shares of our common stock that may be delivered in satisfaction of awards under the 2015 Omnibus Plan is _____ shares. The shares of our common stock to be issued under the 2015 Omnibus Plan may be newly issued shares of our common stock or treasury stock acquired by us. Any shares of common stock underlying awards that are settled in cash, expire or become unexercisable without having been exercised or that are forfeited or repurchased by us due to failure to vest will again be available for issuance under the 2015 Omnibus Plan. In addition, the number of shares of our common stock delivered in satisfaction of awards will be determined net of shares of our common stock withheld by us in payment of the exercise price or purchase price of an award or in satisfaction of tax withholding requirements with respect to an award.

Individual limits

The maximum number of shares of our common stock subject to stock options, and the maximum number of shares of our common stock subject to stock appreciation rights (“SARs”), that may be granted to any participant in the 2015 Omnibus Plan in any calendar year is each _____ shares. The maximum number of shares of our common stock subject to other awards that may be granted to any participant in the 2015 Omnibus Plan in any calendar year is _____ shares. The maximum amount payable to any participant in the 2015 Omnibus Plan in any calendar year under a cash award is \$ _____. Additional limits apply with respect to awards granted to directors who are not employees of our Company, such that the grant-date fair value of

Table of Contents

stock-denominated awards granted in any calendar year may not exceed \$400,000, except that such limit for a non-employee chairman of our board of directors or lead director is \$700,000.

Eligibility

Our key employees, directors, consultants and advisors are eligible to participate in the 2015 Omnibus Plan.

Types of awards

The 2015 Omnibus Plan provides for awards of stock options, SARs, restricted stock, unrestricted stock, stock units, performance awards, cash awards and other awards convertible into or otherwise based on shares of our common stock. Cash awards and stock options that are intended to qualify as “incentive stock options” under Section 422 of the Internal Revenue Code may only be granted to participants who are our employees. The 2015 Omnibus Plan permits the grant of performance awards that are intended to qualify as exempt performance-based compensation under Section 162(m) of the Internal Revenue Code (“Section 162(m)”), to the extent applicable, as well as awards that are not intended to so qualify. During a transition period following the completion of this offering, the 2015 Omnibus Plan will also allow for the grant of performance awards that are exempt from Section 162(m) and its requirements under a special transition rule under Section 162(m).

Performance criteria

Performance awards may be made based upon, and subject to the achievement of, performance objectives specified by our compensation committee. Performance objectives with respect to those awards that are intended to qualify as “performance-based compensation” for purposes of Section 162(m), to the extent applicable, are limited to an objectively determinable measure or measures of performance relating to any or any combination of the following (measured either absolutely or comparatively (including, without limitation, by reference to an index or indices or a specified peer group) and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof, and subject to such adjustments, if any, as our compensation committee specifies, consistent with the requirements of Section 162(m)): sales; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, amortization or equity expense, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital, capital employed or assets; one or more operating ratios; operating income or profit, including on an after-tax basis; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; stockholder return; sales of particular products or services; same store sales; customer satisfaction; gross or net store openings, including timing of openings and achievement of growth targets with respect thereto; new store first year sales; customer acquisition or retention; acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings.

Vesting

Our compensation committee has the authority to determine the vesting schedule applicable to each award, and to accelerate the vesting or exercisability of any award.

Termination of employment or service

Our compensation committee may determine the effect of a termination of employment or service on an award. Unless otherwise provided by our compensation committee, upon a termination of a participant’s employment or service, all unvested stock options and SARs then held by the participant will terminate, all other unvested

Table of Contents

awards will be forfeited and all vested stock options and SARs then held by the participant will remain outstanding for three months following such termination, or one year in the case of a termination due to death or permanent disability, or, in each case, until the applicable expiration date of the award, if earlier. All stock options and SARs held by a participant immediately prior to the participant's termination of employment or service will immediately terminate if such termination is for cause, as defined in the 2015 Omnibus Plan, or occurs in circumstances that would have constituted grounds for the participant's employment or service to be terminated for cause, in the determination of our compensation committee.

Transferability

Awards under the 2015 Omnibus Plan may not be transferred other than by the laws of descent and distribution, unless, for awards other than incentive stock options, otherwise provided by our compensation committee.

Corporate transactions

In the event of certain corporate transactions (including a merger, consolidation or similar transaction, or the sale of substantially all of the assets, a change in ownership of the stock, or the dissolution or liquidation of the Company), our compensation committee may, among other things, provide for the continuation or assumption of outstanding awards, for new grants in substitution of outstanding awards, for the accelerated vesting or delivery of shares under awards or for a cash-out of outstanding awards, in each case on such terms and with such restrictions as it deems appropriate. Except as our compensation committee may otherwise determine, awards not assumed in connection with such a transaction will terminate automatically and, in the case of outstanding restricted stock, will be forfeited automatically upon the consummation of such transaction.

Adjustments

In the event of certain corporate transactions (including a stock dividend, stock split or combination of shares, including a reverse stock split, recapitalization or other change in our capital structure), our compensation committee will make appropriate adjustments to the maximum number of shares of our common stock that may be delivered under, and the individual share limits included in, the 2015 Omnibus Plan, and will also make appropriate adjustments to the number and kind of shares or securities subject to awards, the exercise prices of such awards or any other terms of awards affected by such change. Our compensation committee may also make the types of adjustments described above to take into account distributions and events other than those listed above if it determines that such adjustments are appropriate to avoid distortion in the operation of the 2015 Omnibus Plan.

Recovery of compensation

Our compensation committee may cancel, rescind, withhold or otherwise limit or restrict any award at any time under the 2015 Omnibus Plan if the participant is not in compliance with the provisions of the 2015 Omnibus Plan or any award thereunder or if the participant breaches any agreement with us with respect to non-competition, non-solicitation or confidentiality. Our compensation committee also may recover any award or payments or gain in respect of any award under the 2015 Omnibus Plan in accordance with any applicable Company clawback or recoupment policy, or as otherwise required by applicable law or applicable stock exchange listing standards.

Amendment; termination

Our compensation committee may amend the 2015 Omnibus Plan or outstanding awards, or terminate the 2015 Omnibus Plan as to future grants of awards, except that our compensation committee will not be able to alter

Table of Contents

the terms of an award if it would affect materially and adversely a participant's rights under the award without the participant's consent (unless expressly provided in the 2015 Omnibus Plan or the right to alter the terms of an award was expressly reserved by our compensation committee at the time the award was granted). Amendments to the 2015 Omnibus Plan will be conditioned on shareholder approval to the extent such approval is required by law, including the Internal Revenue Code and applicable stock exchange requirements.

Cash Incentive Plan

In connection with this offering, our board of directors intends to adopt the Planet Fitness, Inc. Cash Incentive Plan (the "Cash Incentive Plan"). Beginning with our 2016 fiscal year, annual cash bonus opportunities for our named executive officers and other key employees will be granted under the Cash Incentive Plan. The following summary describes what we anticipate will be the material terms of the Cash Incentive Plan. This summary is not a complete description of all provisions of the Cash Incentive Plan and is qualified in its entirety by reference to the Cash Incentive Plan, a form of which is filed as an exhibit to the registration statement of which this prospectus forms a part.

Administration

The Cash Incentive Plan will be administered by our compensation committee, which has the authority to interpret the Cash Incentive Plan and awards granted under it, to determine the terms and conditions of awards, and generally to do all things necessary to administer the Cash Incentive Plan. Any interpretation or decision by our compensation committee will be final and conclusive.

Participation; individual limit

Our executive officers and other key employees will be selected from time to time by our compensation committee to participate in the Cash Incentive Plan. The maximum payment to any participant pursuant to an award intended to qualify as performance-based compensation under Section 162(m) under the Cash Incentive Plan in any fiscal year will in no event exceed \$5,000,000.

Awards

With respect to each award granted under the Cash Incentive Plan, our compensation committee will determine the performance criteria applicable to the award, the amount or amounts payable if the performance criteria are achieved, and such other terms and conditions as our compensation committee deems appropriate. The Cash Incentive Plan permits the grant of awards that are intended to qualify as exempt performance-based compensation under Section 162(m), to the extent applicable, as well as awards that are not intended to so qualify. During a transition period following completion of this offering, awards under the Cash Incentive Plan will not be required to comply with the provisions of the plan applicable to performance-based compensation under Section 162(m) under a special transition rule under Section 162(m).

Performance criteria

Awards under the Cash Incentive Plan will be made based on, and subject to achieving, performance criteria established by our compensation committee, which may be applied to a participant or participants on an individual basis, to a business unit or division, or to the Company as a whole. Performance criteria for awards intended to qualify as performance-based compensation for purposes of Section 162(m), to the extent applicable, are limited to the objectively determinable measure or objectively determinable measures of performance relating to any or any combination of the following (measured either absolutely or comparatively

Table of Contents

(including, without limitation, by reference to an index or indices or a specified peer group) and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof and subject to such adjustments, if any, as our compensation committee specifies, consistent with the requirements of Section 162(m)): sales; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, amortization or equity expense, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital, capital employed or assets; one or more operating ratios; operating income or profit, including on an after tax basis; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; stockholder return; sales of particular products or services; same store sales; customer satisfaction; gross or net store openings, including timing of openings and achievement of growth targets with respect thereto; new store first year sales; customer acquisition or retention; acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings.

Payment under an award

A participant will be entitled to payment under an award only if all conditions to payment have been satisfied in accordance with the Cash Incentive Plan and the terms of the award. Our compensation committee will determine the payment date or dates for awards under the Cash Incentive Plan. Following the close of the performance period, our compensation committee will determine (and, to the extent required by Section 162(m), certify) whether and to what extent the applicable performance criteria have been satisfied. Our compensation committee will then determine the actual payment, if any, under each award. Unless otherwise provided by our compensation committee, all payments will be made not later than March 15th of the calendar year following the calendar year in which the performance period ends, and a participant will not be entitled to any payment unless he or she remains employed through the date of payment. Our compensation committee may permit a participant to defer payment of an award subject to the requirements of applicable law.

Recovery of compensation

Our compensation committee may provide that awards will be subject to forfeiture, termination or rescission, and that a participant will be obligated to return to the Company payments received with respect to an award, in connection with (i) a breach by the participant of award terms or the Cash Incentive Plan, or any non-competition, non-solicitation, confidentiality or similar covenant or agreement with the Company or any of its affiliates or (ii) an overpayment to the participant of incentive compensation due to inaccurate financial data. Our compensation committee may recover awards and payments under any award in accordance with any applicable Company clawback or recoupment policy, as amended and in effect from time to time, or as otherwise required by applicable law or applicable stock exchange listing standards.

Amendment; termination

Our compensation committee or our board of directors may amend or terminate the Cash Incentive Plan at any time.

2015 Cash Bonus Program

Each of our named executive officers is entitled to participate in our cash bonus program for our 2015 fiscal year. The terms of our cash bonus program for our 2015 fiscal year, as they apply to our named executive officers and our other senior executives, are generally the same as the terms that applied for our 2014 fiscal year, as described above under “2014 performance bonuses”. Cash bonus awards payable in respect of our

Table of Contents

2015 fiscal year will be based on the achievement of key corporate financial and strategic goals relating to corporate same store sales, franchise same store sales, club openings, and earnings before interest, taxes, depreciation and amortization. The target amount of each named executive officer's annual cash bonus as a percentage of his base salary remains unchanged from the 2014 target amounts. The actual amount earned by each named executive officer under our 2015 cash bonus program will be determined by our board or our compensation committee based on the level of achievement of these goals.

2013 Performance Incentive Plan

Certain of our employees were granted cash awards pursuant to the Pla-Fit Holdings, LLC 2013 Performance Incentive Plan ("2013 Performance Incentive Plan"). None of our named executive officers or directors holds awards under the 2013 Performance Incentive Plan. Each award under this plan represents the conditional right to receive a cash payment upon a change in control or an initial public offering of Pla-Fit Holdings, LLC if the equity value of Pla-Fit Holdings, LLC in connection with such transaction exceeds a certain threshold, subject to the holder of the award remaining employed on the date of such transaction. We expect to make cash payments in an estimated amount of \$1.7 million to holders of awards under the 2013 Performance Incentive Plan in connection with this offering.

Certain relationships and related party transactions

Related party agreements in effect prior to this offering

Franchisee relationships

Former Governor Craig Benson, a former member of our board of directors, is also a Planet Fitness franchisee. Gov. Benson, through his ownership interest in BL Technologies Investments, LLC, entered into an ADA with us dated October 23, 2012, under which he has opened eight Planet Fitness stores as of March 31, 2015, for each of which he entered into a franchise agreement. Over the next twelve years, Gov. Benson is obligated to open an additional 27 Planet Fitness stores. In 2012, 2013 and 2014, Gov. Benson paid royalties and fees to us, which totaled approximately \$350,000, \$40,000 and \$452,000, respectively, and purchased fitness equipment for seven of his Planet Fitness stores, each as required by the terms of his franchise agreements. Gov. Benson's equipment purchases totaled approximately \$1.4 million and \$3.1 million in 2013 and 2014, respectively. Gov. Benson did not purchase equipment from us in 2012. The terms of Gov. Benson's ADA and franchise agreements are commensurate with other franchise agreements executed during the same time period.

Dennis Rondeau, father of Chris Rondeau, our Chief Executive Officer and a member of our board of directors, is also a Planet Fitness franchisee. Mr. Rondeau, through his ownership interest in Freedom Fitness, LLC, entered into an ADA with us dated December 10, 2009, under which he has opened four stores as of March 31, 2015, for each of which he entered into a Franchise Agreement. Over the next two years, Mr. Rondeau is obligated to open an additional four Planet Fitness stores. In 2012, 2013 and 2014, Mr. Rondeau paid royalties and fees to us, which totaled approximately \$132,000, \$200,000 and \$321,000, respectively, and purchased fitness equipment for three of his Planet Fitness stores, each as required by the terms of his franchise agreements. Mr. Rondeau's equipment purchases totaled approximately \$0, \$855,000 and \$574,000, in 2012, 2013 and 2014, respectively. The terms of Mr. Rondeau's ADA and franchise agreements are commensurate with other franchise agreements executed during the same time period.

In addition, Chris Rondeau and Marc Grondahl are partial owners of PFP Direct Loan LLC and PF Principals, LLC, which directly and indirectly have provided financing to a limited number of qualified Planet Fitness franchisees to fund leasehold improvements and other related expenses, as one of several financing providers available to franchisees. Our Company does not participate in these transactions.

Consulting agreement

Stephen Spinelli, Jr. a member of our board of directors, entered into a consulting agreement with us dated April 30, 2013 pursuant to which he provided us with business and franchise consulting services in exchange for an annual fee of \$40,000. In both 2013 and 2014, Dr. Spinelli received \$40,000 in compensation pursuant to the consulting agreement. The agreement expired December 31, 2014.

Leases

On June 23, 2008, we entered into a lease agreement with MMC Fox Run, LLC for our headquarters in Newington, New Hampshire. The lease agreement was amended on November 1, 2011 and again on November 8, 2012. On November 8, 2013, we entered into a new office lease. MMC Fox Run, LLC is currently owned by Mr. Chris Rondeau and Mr. Marc Grondahl. Pursuant to the office lease, the initial lease term is for ten years, with two five-year renewal options. In 2012, 2013 and 2014, we paid an aggregate of approximately \$269,000, \$269,000 and \$383,000, respectively, in rent to MMC Fox Run, LLC.

On March 1, 2010, we entered into a lease agreement with Matthew Michael Realty, LLC for a corporate-owned store in Dover, New Hampshire. Matthew Michael Realty, LLC is currently owned by Mr. Michael Grondahl, an

Table of Contents

original co-founder of Planet Fitness and brother of Mr. Marc Grondahl. Pursuant to the lease agreement, the initial lease term is for approximately fourteen years and expires on April 20, 2024. In 2012, 2013 and 2014, we paid approximately \$491,000, \$466,000 and \$466,000, respectively, in rent to Matthew Michael Realty, LLC.

On June 3, 2008, we entered into a lease agreement with PF Melville Realty Co., LLC for our corporate-owned store in Melville, New York. PF Melville Realty Co., LLC is currently owned by Mr. Michael Grondahl. The initial lease term is for fifteen years. In 2012, 2013 and 2014, we paid an aggregate of approximately \$160,000, \$544,000 and \$559,000, respectively, in rent to PF Melville Realty Co., LLC.

For some or all of the periods presented in this prospectus, the results of operations of MMC Fox Run, LLC, Matthew Michael Realty, LLC and PF Melville Realty Co., LLC are included in our consolidated financial statements. For further information, including certain ownership changes that have occurred with respect to these entities, see Notes 2(a) and 4 to our audited consolidated financial statements included elsewhere in this prospectus.

Management services agreement

On December 14, 2012, in connection with our acquisition by investment funds affiliated with our Sponsor, we entered into a management services agreement with TSG6 Management, LLC, an affiliate of our Sponsor (the “Management Company”), pursuant to which the Management Company has provided certain management, consulting and advisory services to Pla-Fit Holdings, LLC. In exchange for these services, we pay the Management Company an aggregate annual management fee equal to \$1.0 million, and we reimburse the Management Company for reasonable out-of-pocket expenses incurred by it relating to operations of Pla-Fit Holdings, LLC and its subsidiaries and in connection with the provision of services pursuant to the management services agreement. In 2012, 2013 and 2014, we paid \$0.1 million, \$1.1 million and \$1.2 million, respectively, in respect of management services and reimbursable expenses payable to the Management Company under the management services agreement. In addition, we agreed to indemnify the Management Company and certain persons affiliated with the Management Company to the fullest extent permitted by law from and against all losses arising from the Management Company’s performance under the management services agreement.

In connection with the completion of this offering, the management services agreement will be terminated, and we will pay a one-time termination fee of \$1.0 million to the Management Company in accordance with the terms of the agreement. Four of our directors, Messrs. Esserman, Layman, LeCompte and Wong, are employees of TSG.

Recapitalization transactions in connection with this offering

These summaries do not purport to be complete descriptions of all of the provisions of the documents relating to the recapitalization transactions, and they are qualified in their entirety by reference to the complete text of agreements which have been filed with the SEC as exhibits to the registration statement of which this prospectus is a part. For information on how to obtain copies of these agreements, see the section entitled “Where you can find more information.”

Exchange agreement

In connection with this offering, we and the Continuing LLC Owners will enter into an exchange agreement under which they (or certain permitted transferees) will have the right, from time to time and subject to the terms of the exchange agreement, to exchange their Holdings Units, together with a corresponding number of shares of Class B common stock, for shares of our Class A common stock on a one-for-one basis, subject to

Table of Contents

customary conversion rate adjustments for stock splits, stock dividends, reclassifications and other similar transactions. At our election, acting by a majority of the disinterested members of our board of directors pursuant to the exchange agreement, we may elect to redeem the Holdings Units for cash when tendered for exchange. We may not elect to pay cash if a registration statement under the Securities Act is available for the issuance in connection with the exchange or the subsequent resale. The exchange agreement will also provide that a Continuing LLC Owner will not have the right to exchange Holdings Units if we determine that such exchange would be prohibited by law or regulation or would violate other agreements with us to which the Continuing LLC Owner may be subject. As a Continuing LLC Owner exchanges Holdings Units for shares of Class A common stock, the number of Holdings Units held by Planet Fitness, Inc. is correspondingly increased as it acquires the exchanged Holdings Units, and a corresponding number of shares of Class B common stock are cancelled. Also pursuant to the exchange agreement, to the extent an exchange results in a Company liability relating to the New Hampshire business profits tax, the Continuing LLC Owners have agreed that they will contribute to Pla-Fit Holdings, LLC an amount sufficient to pay such tax liability (up to 3% of the value received upon exchange). If and when we subsequently realize a related tax benefit, Pla-Fit Holdings, LLC will distribute the amount of any such tax benefit to the relevant Continuing LLC Owner in respect of its contribution. We have agreed in the exchange agreement that we will use commercially reasonable efforts to reduce or eliminate this tax liability, provided it does not materially and adversely impact our net income, including by pursuing a change in the applicable law or by relocating our corporate headquarters to a different state and franchising some or all of our 14 corporate-owned stores located in the State of New Hampshire.

Tax receivable agreements

Pursuant to the exchange agreement described above, from time to time we may be required to acquire Holdings Units of Pla-Fit Holdings, LLC from their holders upon exchange for shares of our Class A common stock. Pla-Fit Holdings, LLC intends to have an election under Section 754 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") in effect for taxable years in which such sales of Holdings Units occur. Pursuant to the Section 754 election, sales of Holdings Units are expected to result in an increase in the tax basis of tangible and intangible assets of Pla-Fit Holdings, LLC. When we acquire Holdings Units from the Continuing LLC Owners, we expect that both the existing basis for certain assets and the anticipated basis adjustments will increase depreciation and amortization deductions allocable to us for tax purposes from Pla-Fit Holdings, LLC, and therefore reduce the amount of income tax we would otherwise be required to pay in the future to various tax authorities. This increase in tax basis may also decrease gain (or increase loss) on future dispositions of certain capital assets to the extent increased tax basis is allocated to those capital assets.

Upon the completion of this offering, we will be a party to two tax receivable agreements. Under the first of those agreements, we generally will be required to pay to our Continuing LLC Owners 85% of the applicable cash savings, if any, in U.S. federal and state income tax that we are deemed to realize as a result of certain tax attributes of their Holdings Units sold to us (or exchanged in a taxable sale) and that are created as a result of (i) the sales of their Holdings Units for shares of our Class A common stock and (ii) tax benefits attributable to payments made under the tax receivable agreement (including imputed interest). Under the second tax receivable agreement, we generally will be required to pay to the Direct TSG Investors 85% of the amount of cash savings, if any, that we are deemed to realize as a result of the tax attributes of the Holdings Units that we hold in respect of the Direct TSG Investors' interest in us, which resulted from the Direct TSG Investors' purchase of interests in the 2012 Acquisition, and certain other tax benefits. Under both agreements, we generally will retain the benefit of the remaining 15% of the applicable tax savings.

For purposes of these tax receivable agreements, cash savings in tax are calculated by comparing our actual income tax liability to the amount we would have been required to pay had we not been able to utilize any of

Table of Contents

the tax benefits subject to the tax receivable agreements, unless certain assumptions apply or the tax receivable agreements accelerate, as discussed herein. The term of the tax receivable agreements will commence upon the completion of this offering and will continue until all such tax benefits have been utilized or expired, unless we exercise our rights to terminate the agreements or payments under the agreements are accelerated in the event that we materially breach any of our material obligations under the agreements or our counterparties elect to accelerate our obligations under the tax receivable agreements (as described below). The actual increase in tax basis, as well as the amount and timing of any payments under these agreements, will vary depending upon a number of factors, including the timing of sales by the holders of Holdings Units, the price of our Class A common stock at the time of the sale, whether such sales are taxable, the amount and timing of the taxable income we generate in the future, the tax rate then applicable and the portion of our payments under the tax receivable agreements constituting imputed interest.

The payment obligation under the tax receivable agreements is an obligation of Planet Fitness, Inc., not Pla-Fit Holdings, LLC, and we expect that the payments we will be required to make under the tax receivable agreements will be substantial. Assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the tax receivable agreements, we expect that the reduction in tax payments for us associated with our purchase of Holdings Units from certain of our Continuing LLC Owners with the net proceeds of this offering and future sales of Holdings Units as described above would aggregate approximately \$ over years from the date of this offering based on the initial public offering price of \$ per share of our Class A common stock and assuming all future exchanges or redemptions would occur one year after this offering. Under such scenario we would be required to pay the owners of Holdings Units 85% of such amount, or \$, over the -year period from the date of this offering. The actual amounts may materially differ from these hypothetical amounts, as potential future reductions in tax payments for us, and tax receivable agreement payments by us, will be calculated using the market value of the shares at the time of exchange or redemption and the prevailing tax rates applicable to us over the life of the tax receivable agreements, and will be dependent on us generating sufficient future taxable income to realize the benefit. Payments under the tax receivable agreements are not conditioned on the Continuing LLC Owners' or the Direct TSG Investors' continued ownership of us.

In addition, although we are not aware of any issue that would cause the IRS to challenge the tax basis increases or tax attributes subject to the tax receivable agreements, the beneficiaries of the tax receivable agreements will not reimburse us for any payments previously made if such basis increases or other attributes are subsequently disallowed, except that excess payments made to any beneficiary will be netted against payments otherwise to be made, if any, to such beneficiary after our determination of such excess. As a result, in such circumstances, we could make payments under the tax receivable agreements that are greater than our actual cash tax savings.

The tax receivable agreements provide that (i) in the event that we materially breach such tax receivable agreements, (ii) if, at any time, we elect an early termination of the tax receivable agreements, or (iii) upon certain mergers, asset sales, other forms of business combinations or other changes of control, our (or our successor's) obligations under the tax receivable agreements (with respect to all Holdings Units, whether or not they have been sold before or after such transaction) would accelerate and become payable in a lump sum amount equal to the present value of the anticipated future tax benefits calculated based on certain assumptions, including that we would have sufficient taxable income to fully utilize the deductions arising from the tax deductions, tax basis and other tax attributes subject to the tax receivable agreements.

As a result of the foregoing, (i) we could be required to make payments under the tax receivable agreements that are greater than or less than the specified percentage of the actual tax savings we realize in respect of the tax attributes subject to the agreements and (ii) we may be required to make an immediate lump sum payment equal to the present value of the anticipated tax savings, which payment may be made years in advance of the

Table of Contents

actual realization of such future benefits, if any such benefits are ever realized. In these situations, our obligations under the tax receivable agreements could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. There can be no assurance that we will be able to finance our obligations under the tax receivable agreements in a manner that does not adversely affect our working capital and growth requirements. For example, if we were to elect to terminate the tax receivable agreements immediately after this offering, based on the initial public offering price of \$ _____ per share of our Class A common stock and a discount rate equal to _____ %, we estimate that we would be required to pay \$ _____ in the aggregate under the tax receivable agreements.

Subject to the discussion above regarding the acceleration of payments under the tax receivable agreements, payments under the tax receivable agreements, if any, will generally be made on an annual basis to the extent we have sufficient taxable income to utilize the increased depreciation and amortization charges and other tax attributes subject to the tax receivable agreements. The availability of sufficient taxable income to utilize the increased depreciation and amortization expense and other tax attributes will not be determined until such time as the financial results for the year in question are known and tax estimates prepared. We expect to make payments under the tax receivable agreements, to the extent they are required, within _____ days after our federal income tax return is filed for each fiscal year. The tax receivable agreements will provide for interest, at a rate equal to one-year LIBOR, accrued from the due date (without extensions) of the corresponding tax return to the date of payment specified by the tax receivable agreements. In addition, under certain circumstances where we are unable to make timely payments under the tax receivable agreements, the tax receivable agreements will provide for interest to accrue on unpaid payments, at a rate equal to one-year LIBOR plus _____ basis points.

The impact that the tax receivable agreements will have on our consolidated financial statements will be the establishment of a liability, which will be increased upon the exchanges of Holdings Units for our Class A common stock, generally representing 85% of the estimated future tax benefits, if any, relating to the increase in tax basis associated with the Holdings Unit we receive in this sale.

Decisions made by our Continuing LLC Owners in the course of running our business, such as with respect to mergers, asset sales, other forms of business combinations or other changes in control, may influence the timing and amount of payments that are received by a Continuing LLC Owner under the tax receivable agreements. For example, the earlier disposition of assets following an exchange or acquisition transaction will generally accelerate payments under the tax receivable agreements and increase the present value of such payments, and the disposition of assets before an exchange or acquisition transaction will increase a Continuing LLC Owner's tax liability without giving rise to any rights of a Continuing LLC Owner to receive payments under the tax receivable agreements.

Because of our structure, our ability to make payments under the tax receivable agreements is dependent on the ability of Pla-Fit Holdings, LLC to make distributions to us. The ability of Pla-Fit Holdings, LLC to make such distributions will be subject to, among other things, restrictions in our debt documents and the applicable provisions of Delaware law that may limit the amount of funds available for distribution to its members. To the extent that we are unable to make payments under the tax receivable agreements for any reason, such payments will be deferred and will accrue interest until paid.

Pla-Fit Holdings, LLC amended and restated limited liability company agreement

In connection with the recapitalization transactions, the limited liability company agreement of Pla-Fit Holdings, LLC will be amended and restated. As a result of the recapitalization transactions and this offering, we will hold Holdings Units in Pla-Fit Holdings, LLC indirectly through wholly owned subsidiaries and will be the sole managing member of Pla-Fit Holdings, LLC. Accordingly, we will operate and control all of the business and affairs of Pla-Fit Holdings, LLC and, through Pla-Fit Holdings, LLC and its operating subsidiaries, conduct our business.

Table of Contents

Pursuant to the New LLC Agreement as it will be in effect at the time of this offering, as managing member, Planet Fitness, Inc. has the right to determine when distributions will be made by Pla-Fit Holdings, LLC to holders of Holdings Units and the amount of any such distributions. If a distribution is authorized, such distribution will be made to the holder of Holdings Units (including Planet Fitness, Inc. and its subsidiaries) pro rata in accordance with the percentages of their respective Holdings Units.

The holders of Holdings Units, including Planet Fitness, Inc. and its subsidiaries, will incur U.S. federal, state and local income taxes on their allocable share (determined under relevant tax rules) of any taxable income of Pla-Fit Holdings, LLC. Net profits and net losses of Pla-Fit Holdings, LLC will generally be allocated to holders of Holdings Units (including Planet Fitness, Inc.) pro rata in accordance with the percentages of their respective Holdings Units, except to the extent certain rules provide for disproportionate allocations or are otherwise required under applicable tax law.

The New LLC Agreement will provide that Pla-Fit Holdings, LLC will make cash distributions, which we refer to as “tax distributions,” to the holders of Holdings Units. Generally, these tax distributions will be computed based on the net taxable income of Pla-Fit Holdings, LLC allocable to the holders of Holdings Units multiplied by an assumed, combined tax rate equal to the maximum rate applicable to an individual or corporate resident in San Francisco, California (taking into account, among other things, the deductibility of certain expenses and certain adjustments relating to the calculation of state taxes). For purposes of determining the taxable income of Pla-Fit Holdings, LLC, such determination will be made by generally disregarding any adjustment to the taxable income of any member of Pla-Fit Holdings, LLC that arises under the tax basis adjustment rules of the Code, and is attributable to the acquisition by such member of an interest in Pla-Fit Holdings, LLC in this offering and future exchange or sale transactions. We expect Pla-Fit Holdings, LLC may make tax distributions periodically to the extent permitted by our agreements governing our indebtedness and necessary to enable us to cover our operating expenses and other obligations, including our tax liability and obligations under the tax receivable agreements, as well as to make dividend payments, if any, to the holders of our Class A common stock.

The New LLC Agreement will also provide that substantially all expenses incurred by or attributable to Planet Fitness, Inc. (such as expenses incurred in connection with this offering) will be borne or reimbursed by Pla-Fit Holdings, LLC, but Pla-Fit Holdings, LLC will not bear the cost of our income tax expenses, obligations incurred by us under the tax receivable agreements or payments on indebtedness incurred by us other than to pay operating expenses that otherwise would be borne by Pla-Fit Holdings, LLC.

Stockholders agreement

In connection with this offering, we intend to enter into a stockholders agreement with investment funds affiliated with TSG. Pursuant to the stockholders agreement, we will be required to take all necessary action to cause the board of directors and its committees to include individuals designated by TSG and to include such individuals in the slate of nominees recommended by the board of directors for election by our stockholders. These nomination rights are described in this prospectus in the sections titled “Management—Board composition and director independence” and “Management—Board committees.” The stockholders agreement will also provide that we will obtain customary director indemnity insurance and enter into indemnification agreements with TSG’s director designees, and we expect to enter into indemnification agreements with each of our directors generally providing for indemnification in connection with their service to us or on our behalf.

Registration rights agreement

In connection with the recapitalization transactions, we intend to enter into a registration rights agreement with all of the Continuing LLC Owners and Direct TSG Investors, which include the investment funds affiliated with TSG that hold Holdings Units and shares of Class A common stock and certain employees and directors that hold Holdings Units. The registration rights agreement will provide TSG with certain demand registration rights, including shelf registration rights, in respect of any shares of our Class A common stock held by it, subject to

certain conditions. In addition, in the event that we register additional shares of Class A common stock for sale to the public following the completion of this offering, we will be required to give notice of such registration to TSG and certain employees and directors party to the agreement of our intention to effect such a registration, and, subject to certain limitations, include shares of Class A common stock held by them in such registration. We also will undertake in the registration rights agreement to file a shelf registration statement as soon as we meet the applicable eligibility criteria and to use commercially reasonable efforts to have the shelf registration statement declared effective as soon as practicable and to remain effective in order to register the exchange of Holdings Units together with shares of Class B common stock for shares of Class A common stock by certain employees and directors from time to time. We will be required to bear the registration expenses, other than underwriting discounts and commissions and transfer taxes, associated with any registration of shares pursuant to the agreement. The agreement will include customary indemnification provisions in favor of TSG and the employees and directors party to the agreement, any person who is or might be deemed a control person (within the meaning of the Securities Act and the Exchange Act) and related parties against certain losses and liabilities (including reasonable costs of investigation and legal expenses) arising out of or based upon any filing or other disclosure made by us under the securities laws relating to any such registration.

Participation in this offering

Certain of our directors, officers or other affiliates may purchase shares of Class A common stock in the directed share program in this offering at the initial public offering price. These prospective purchasers have the right to purchase these shares, but are under no obligation to purchase any shares in this offering and their interest in purchasing shares in this offering is not a commitment to do so. The underwriters will receive the same discount from shares of our Class A common stock purchased by such directors, officers and other affiliates as they will from other shares of our Class A common stock sold to the public in this offering. Any shares purchased by such directors, officers and other affiliates will be subject to lock-up restrictions described in the section entitled “Shares eligible for future sale—Lock-up agreements.”

Indemnification agreements

Prior to the completion of this offering, we expect to enter into indemnification agreements with each of our directors. These agreements will require us to indemnify these individuals and, in certain cases, affiliates of such individuals, to the fullest extent permissible under Delaware law against liabilities that may arise by reason of their service to us or at our direction, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, we have been informed that in the opinion of the SEC such indemnification is against public policy and is therefore unenforceable.

Related person transactions policy

In connection with this offering, we have adopted a policy with respect to the review, approval and ratification of related person transactions. Under the policy, our audit committee is responsible for reviewing and approving related person transactions. In the course of its review and approval of related person transactions, our audit committee will consider the relevant facts and circumstances to decide whether to approve such transactions. Related person transactions must be approved or ratified by the audit committee based on full information about the proposed transaction and the related person’s interest.

We did not have a written policy regarding the review and approval of related person transactions prior to this offering. Nevertheless, with respect to such transactions, it was our policy for the board of managers of Pla-Fit Holdings, LLC to consider the nature of and business reason for such transactions, how the terms of such transactions compared to those which might be obtained from unaffiliated third parties and whether such transactions were otherwise fair to and in the best interests of, or not contrary to, our best interests.

Principal and selling stockholders

The following table sets forth information with respect to the beneficial ownership of our Class A common stock and Class B common stock as of _____, 2015 for (a) each person, or group of affiliated persons, known by us to own beneficially more than 5% of our outstanding shares of Class A common stock and Class B common stock, (b) each member of our board of directors, (c) each of our named executive officers, (d) all of our directors and executive officers as a group and (e) each of the selling stockholders.

Beneficial ownership is determined in accordance with SEC rules. The information is not necessarily indicative of beneficial ownership for any other purpose. In general, under these rules a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares voting power or investment power with respect to such security. A person is also deemed to be a beneficial owner of a security if that person has the right to acquire beneficial ownership of such security within 60 days. To our knowledge, except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of Class A common stock and Class B common stock beneficially owned by that person.

In connection with the recapitalization transactions, we will issue to the Continuing LLC Owners one share of our Class B common stock for each Holdings Unit that they hold. Each Continuing LLC Owner will have the right to exchange their Holdings Units, along with a corresponding number of shares of our Class B common stock, for shares of our Class A common stock on a one-for-one basis. See “The recapitalization transactions” and “Certain relationships and related party transactions.”

Table of Contents

The percentage of shares beneficially owned is computed on the basis of _____ shares of our Class A common stock outstanding as of _____, 2015, and _____ Holdings Units and shares of our Class B common stock outstanding as of _____, 2015. Shares of our Class A common stock that a person has the right to acquire within 60 days of _____, 2015 (including the right to exchange described above) are deemed outstanding for purposes of computing the percentage ownership of such person's holdings, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. In addition, the table below does not reflect any shares of our Class A common stock that our directors, officers and other affiliates may purchase in this offering through the directed share program described in the section entitled "Underwriting." Unless otherwise indicated below, the address for each beneficial owner listed is c/o Planet Fitness, Inc., 26 Fox Run Road, Newington, New Hampshire 03801.

Name of beneficial owner	Class A common stock beneficially owned (1)						
	Shares of Class A common stock beneficially owned after giving effect to the recapitalization transactions and before this offering		Shares being offered	Shares of Class A common stock beneficially owned after giving effect to the recapitalization transactions and after this offering (no option)		Shares of Class A common stock beneficially owned after giving effect to the recapitalization transactions and after this offering (with option)	
	Number	Percentage		Number	Percentage	Number	Percentage
5% Stockholders							
TSG Funds (2)							
Directors and Named Executive Officers							
Chris Rondeau (3)							
Dorvin Lively (4)							
Richard L. Moore (5)							
Charles Esserman (6)							
Michael Layman (6)							
Pierre LeComte (6)							
Edward Wong (6)							
Marc Grondahl (7)							
Stephen Spinelli, Jr. (8)							
All executive officers and directors as a group (9 persons) (9)							

Table of Contents

Name of beneficial owner	Class B common stock beneficially owned ⁽¹⁾					
	Shares of Class B common stock beneficially owned after giving effect to the recapitalization transactions and before this offering		Shares of Class B common stock beneficially owned after giving effect to the recapitalization transactions and after this offering (no option)		Shares of Class B common stock beneficially owned after giving effect to the recapitalization transactions and after this offering (with option)	
	Number	Percentage	Number	Percentage	Number	Percentage
5% Stockholders						
TSG Funds ⁽²⁾						
Directors and Named Executive Officers						
Chris Rondeau ⁽³⁾						
Dorvin Lively ⁽⁴⁾						
Richard L. Moore ⁽⁵⁾						
Charles Esserman ⁽⁶⁾						
Michael Layman ⁽⁶⁾						
Pierre LeComte ⁽⁶⁾						
Edward Wong ⁽⁶⁾						
Marc Grondahl ⁽⁷⁾						
Stephen Spinelli, Jr. ⁽⁸⁾						
All executive officers and directors as a group ⁽⁹⁾ persons) ⁽⁹⁾						

* Represents beneficial ownership of less than 1%.

- (1) Subject to the terms of the exchange agreement, the Holdings Units held by Continuing LLC Owners are exchangeable for shares of our Class A common stock on a one-for-one basis. See "Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Exchange agreement." In these tables, beneficial ownership of Holdings Units has been reflected as beneficial ownership of shares of our Class A common stock for which such Holdings Units may be exchanged. When a Holdings Unit is exchanged by a Continuing LLC Owner who holds shares of Class B common stock, a corresponding share of Class B common stock will be cancelled. Accordingly, in the first table above, the percentages of Class A common stock provided also reflect combined voting power for each respective beneficial owner. See "Description of capital stock."
- (2) Shares of Class A common stock shown as beneficially owned by the TSG Funds include: (a) shares of Class A common stock held by TSG6 AIV II-A, L.P. ("AIV II-A"), a Delaware limited partnership whose general partner is TSG6 Management L.L.C. ("TSG6 Management"), a Delaware limited liability company; (b) shares of Class A common stock held by TSG6 PF Co-Investors A, L.P. ("Co-Investors A"), a Delaware limited partnership whose general partner is TSG6 Management; (c) shares of Class A common stock underlying an identical number of Holdings Units and shares of Class B common stock held by TSG6 PF Investment LLC ("Investment"), a Delaware limited liability company whose managing member is TSG6 Management; and (d) shares of Class A common stock underlying an identical number of Holdings Units and shares of Class B common stock held by TSG6 PF Investment II LLC ("Investment II" and, together with AIV II-A, Co-Investors A and Investment, the "TSG Funds"), a Delaware limited liability company whose managing member is TSG6 Management. By virtue of the relationships described in this footnote, TSG6 Management may be deemed to share beneficial ownership of the securities held by the TSG Funds. Voting and investment decisions with respect to securities held by the TSG Funds are made by the investment committee of TSG6 Management, which is comprised of Charles Esserman, James O'Hara, Hadley Mullin, Pierre LeComte, Blythe Jack, Brian Krumrei and Jennifer Baxter Moser. Each member of the investment committee disclaims beneficial ownership to the extent attributed to such member solely by virtue of his or her membership on the investment committee. Each of the TSG Funds has an address c/o TSG Consumer Partners, LLC, 600 Montgomery Street, Suite 2900, San Francisco, California 94111.
- (3) Includes shares of Class A common stock underlying an identical number of Holdings Units and shares of Class B common stock held by Mr. Rondeau.
- (4) Includes shares of Class A common stock underlying an identical number of Holdings Units and shares of Class B common stock held by Mr. Lively that have vested or will vest within 60 days.
- (5) Includes shares of Class A common stock underlying an identical number of Holdings Units and shares of Class B common stock held by Mr. Moore that have vested or will vest within 60 days.

Table of Contents

- (6) Does not include shares of Class A common stock beneficially owned by the TSG Funds. Mr. Esserman is Chief Executive Officer of TSG, Mr. Layman is a Senior Vice President of TSG, Mr. LeComte is Managing Director of TSG and Edward Wong is a Vice President of TSG. The address of each of Messrs. Esserman, Layman, LeComte and Wong is c/o TSG Consumer Partners, LLC, 600 Montgomery Street, Suite 2900, San Francisco, California 94111.
- (7) Includes shares of Class A common stock underlying an identical number of Holdings Units and shares of Class B common stock held by Mr. Grondahl.
- (8) Includes shares of Class A common stock underlying an identical number of Holdings Units and shares of Class B common stock held by Dr. Spinelli that have vested or will vest within 60 days.
- (9) Includes shares of Class A common stock underlying an identical number of Holdings Units and shares of Class B common stock held by our current directors and executive officers as a group that have vested or will vest within 60 days.

Description of certain indebtedness

Senior secured credit facility

General

On December 14, 2012, Planet Fitness Holdings, LLC entered into a \$230.0 million senior secured credit facility with JPMorgan Chase Bank, N.A. as administrative agent and the other lenders party thereto. The senior secured credit facility originally consisted of a \$190.0 million term loan facility and a \$40.0 million revolving credit facility. On March 31, 2014, we amended and restated the senior secured credit facility to increase the size of the term loan facility to \$390.0 million and to make certain other changes to the pricing terms and certain covenants.

The senior secured credit facility provides that Planet Fitness Holdings, LLC has the right at any time to request additional loans and commitments, and to the extent that the aggregate amount of such additional loans and commitments exceeds \$75.0 million, the incurrence thereof is subject to a first lien net leverage ratio being no greater than the first lien net leverage ratio on March 31, 2014, reduced by 0.25. The lenders under these facilities are not under any obligation to provide any such additional term loans or commitments, and any additional term loans or increase in commitments are subject to several conditions precedent and limitations.

On March 31, 2015, we amended our senior secured credit facility to provide for an increase in term loan borrowings to \$506.1 million to permit the issuance of a cash dividend of \$140.0 million to holders of Class T Units and Class O Units of Pla-Fit Holdings, LLC, and to extend 1.00% soft-call prepayment premium on our senior secured credit facility until September 30, 2015. The full incremental borrowings of \$120.0 million plus \$20.0 million from cash on hand were used to fund the dividend payment. The additional incremental term loan borrowings bear a variable rate of interest of the greater of LIBOR or 1.00% plus the applicable margin of 3.75%. All other terms and conditions remained unchanged under the senior secured credit facility.

Interest rates and fees

Borrowings under the senior secured credit facility bear interest at a rate per annum equal to an applicable margin plus, at our option, either (1) a base rate determined by reference to the highest of (a) the Federal Funds rate plus 1/2 of 1%, (b) the prime rate of JPMorgan Chase Bank, N.A. and (c) the adjusted LIBO rate for a one month interest period plus 1% or (2) a LIBO rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs, provided that LIBO rate shall not be lower than 1.00%. The initial applicable margin under the term loan facility was 2.75% and ranges from 2.75% to 2.50% for loans based upon the base rate and ranges from 3.75% to 3.50% for loans based upon the LIBO rate, in each case based upon on specified leverage ratios. The applicable margin under the revolving credit facility ranges from 1.75% to 2.25% for loans based upon the base rate and ranges from 2.75% to 3.25% for loans based upon the LIBO rate, in each case based upon on specified leverage ratios.

In addition to paying interest on outstanding principal under the senior secured credit facility, we are required to pay a commitment fee to the lenders under the revolving credit facility in respect of the unutilized commitments thereunder at a rate ranging from 0.35% to 0.45% per annum, based upon on specified leverage ratios. We also pay customary letter of credit and agency fees.

Mandatory prepayments

The credit agreement governing the senior secured credit facility requires Planet Fitness Holdings, LLC to prepay outstanding term loans, subject to certain exceptions, with: (1) 100% of the net cash proceeds of any

Table of Contents

incurrence of indebtedness by Planet Fitness Holdings, LLC or its restricted subsidiaries other than certain indebtedness permitted under the senior secured credit facility, (2) 100% of the net cash proceeds of non-ordinary course asset sales or other dispositions of assets (including casualty events) by Planet Fitness Holdings, LLC or its restricted subsidiaries, subject to reinvestment rights and certain other exceptions.

In general, the mandatory prepayments described above are applied first, in direct order of maturities or otherwise at our direction, to scheduled principal amortization payments, second, to prepay any revolving loans, without any permanent reduction in the commitments under the revolving loan facility and third, to cash collateralize any outstanding letters of credit.

Voluntary repayments

We may voluntarily repay outstanding loans under the senior secured credit facility at any time subject to customary “breakage” costs with respect to LIBO rate loans.

Amortization and final maturity

The term loan facility amortizes each year in an amount equal to 1% per annum in equal quarterly installments for the first six and three quarter years, with the balance payable on March 31, 2021. The principal amount outstanding of the loans under the revolving credit facility becomes due and payable on March 31, 2019.

Guarantees and security

The senior secured credit facility is guaranteed by Planet Intermediate, LLC and certain of Planet Fitness Holdings, LLC’s direct and indirect wholly owned domestic subsidiaries (excluding certain immaterial subsidiaries and subject to certain other exceptions), and is required to be guaranteed by certain of Planet Fitness Holdings, LLC’s future domestic wholly owned subsidiaries. The security of all obligations under the senior secured credit facility and the guarantees of those obligations, subject to certain exceptions, including the mortgages, will be limited to owned real property with a fair market value above a specified threshold. Such obligations and guarantees are secured by (i) substantially all of the assets of Planet Intermediate, LLC, Planet Fitness Holdings, LLC and the subsidiary guarantors, including a first-priority pledge of 100% of certain of the capital stock or equity interests held by Planet Intermediate, LLC, Planet Fitness Holdings, LLC or any subsidiary guarantor (which pledge, in the case of the stock of any foreign subsidiary (each such entity, a “Pledged Foreign Sub”) (with certain agreed-upon exceptions) and the equity interests of certain U.S. subsidiaries that hold capital stock of foreign subsidiaries and are disregarded entities for U.S. federal income tax purposes (each such entity, a “Pledged U.S. DE”) (with certain agreed-upon exceptions), is limited to 65% of the stock or equity interests of such Pledged Foreign Sub or Pledged U.S. DE, as the case may be), in each case excluding any interests in non-wholly owned restricted subsidiaries (including joint ventures) to the extent such a pledge would violate the governing documents thereof and certain other exceptions; and (ii) a first-priority security interest in substantially all other tangible and intangible assets of Planet Intermediate, LLC, Planet Fitness Holdings, LLC and each subsidiary guarantor.

Covenants and other matters

The senior secured credit facility contains a number of covenants that, among other things and subject to certain exceptions, restrict the ability of Planet Intermediate, LLC Planet Fitness Holdings, LLC and its restricted subsidiaries to:

- incur additional indebtedness;
- incur certain liens;

Table of Contents

- consolidate or merge;
- alter the business conducted by Planet Intermediate, LLC, Planet Fitness Holdings, LLC and its restricted subsidiaries;
- make investments, loans, advances and acquisitions;
- sell assets, including capital stock of its subsidiaries;
- enter into certain sale and leaseback transactions;
- enter into certain swap agreements or derivative transactions;
- pay dividends on capital stock or redeem, repurchase or retire capital stock or certain other indebtedness;
- engage in transactions with affiliates; and
- enter into agreements restricting our restricted subsidiaries' ability to pay dividends.

In addition, the credit agreement governing the senior secured credit facility requires Planet Fitness Holdings, LLC and its restricted subsidiaries to comply on a quarterly basis with a maximum total net leverage ratio, which covenant is only for the benefit of the revolving credit facility. This financial maintenance covenant becomes more restrictive over time.

The credit agreement governing the senior secured credit facility contains certain customary affirmative covenants and events of default.

This summary describes the material provisions of the senior secured credit facility, but may not contain all information that is important to you. We urge you to read the provisions of the credit agreement governing the senior secured credit facility, which has been filed as an exhibit to the registration statement of which this prospectus forms a part. See "Where you can find more information."

Description of capital stock

General

The following description of our capital stock is intended as a summary only and is qualified in its entirety by reference to our certificate of incorporation and bylaws to be in effect at the completion of this offering, which are filed as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of the DGCL. Under “Description of capital stock,” “we,” “us,” “our” and “our Company” refer to Planet Fitness, Inc. and not to any of its subsidiaries.

As of the consummation of this offering, our authorized capital stock will consist of _____ shares of Class A common stock, par value \$0.0001 per share, _____ shares of Class B common stock, par value \$0.0001 per share, and shares of preferred stock, par value \$0.0001 per share. Upon the completion of this offering, there will be _____ shares of our Class A common stock issued and outstanding and _____ shares of our Class B common stock issued and outstanding. See the section entitled “The recapitalization transactions.”

Common stock

Voting rights. Holders of our Class A common stock and Class B common stock will be entitled to cast one vote per share on all matters submitted to stockholders for their approval. Holders of our Class A common stock and Class B common stock will not be entitled to cumulate their votes in the election of directors. Holders of our Class A common stock and Class B common stock will vote together as a single class on all matters submitted to stockholders for their vote or approval, except with respect to the amendment of certain provisions of our certificate of incorporation that would alter or change the powers, preferences or special rights of the Class B common stock so as to affect them adversely, which amendments must be approved by a majority of the votes entitled to be cast by the holders of the Class B common stock, voting as a separate class, or as otherwise required by applicable law. The voting power of the outstanding Class B common stock (expressed as a percentage of the total voting power of all common stock) will be equal to the percentage of Holdings Units not held directly or indirectly by Planet Fitness, Inc.

Generally, all matters to be voted on by stockholders must be approved by a majority of votes cast affirmatively or negatively on a matter by stockholders (or, in the case of election of directors, by a plurality), voting together as a single class. Except as otherwise provided by law, amendments to the certificate of incorporation must be approved by a majority or, in some cases, a super-majority of the combined voting power of all shares entitled to vote, voting together as a single class.

Dividend rights . Holders of Class A common stock will share ratably (based on the number of shares of Class A common stock held) if and when any dividend is declared by the board of directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock. The holders of our Class B common stock will not have any right to receive dividends other than dividends consisting of shares of our Class B common stock paid proportionally with respect to each outstanding share of our Class B common stock.

Liquidation rights . On our liquidation, dissolution or winding up and after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, each holder of Class A common stock will be entitled to a pro rata distribution of any assets available for distribution to common stockholders. Other than their par value, the holders of our Class B common stock will not have any right to receive a distribution upon a liquidation or dissolution of our Company.

Other matters . No shares of Class A common stock or Class B common stock will be subject to redemption or have preemptive rights to purchase additional shares of Class A common stock or Class B common stock. Holders of shares of our Class A common stock and Class B common stock do not have subscription, redemption

Table of Contents

or conversion rights. There will be no redemption or sinking fund provisions applicable to the Class A common stock or Class B Common Stock. Upon consummation of this offering, all the outstanding shares of Class A common stock and Class B common stock will be validly issued, fully paid and non-assessable.

Transfers of Class B common stock . Pursuant to the recapitalization agreement and the New LLC Agreement, each holder of Class B common stock agrees that:

- the holder will not transfer any shares of Class B common stock to any person unless the holder transfers an equal number of Holdings Units to the same person; and
- in the event the holder transfers any Holdings Units to any person, the holder will transfer an equal number of shares of Class B common stock to the same person.

Preferred stock

Our board of directors may, without further action by our stockholders, from time to time, direct the issuance of shares of preferred stock in series and may, at the time of issuance, determine the designations, powers, preferences, privileges and relative participating, optional or special rights, as well as the qualifications, limitations or restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of the Class A common stock. Satisfaction of any dividend preferences of outstanding shares of preferred stock would reduce the amount of funds available for the payment of dividends on shares of our Class A common stock. Holders of shares of preferred stock may be entitled to receive a preference payment in the event of our liquidation before any payment is made to the holders of shares of our Class A common stock. Under certain circumstances, the issuance of shares of preferred stock may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of our securities or the removal of incumbent management. Upon the affirmative vote of a majority of the total number of directors then in office, our board of directors, without stockholder approval, may issue shares of preferred stock with voting and conversion rights which could adversely affect the holders of shares of our Class A common stock and the market value of our Class A common stock. Upon consummation of this offering, there will be no shares of preferred stock outstanding, and we have no present intention to issue any shares of preferred stock.

Stockholders agreement

In connection with this offering, we intend to enter into a stockholders agreement with investment funds affiliated with TSG pursuant to which TSG will have specified board representation rights, governance rights and other rights. See “Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Stockholders agreement.”

Registration rights

Following the completion of this offering, all of the Continuing LLC Owners and Direct TSG Investors, which include the investment funds affiliated with TSG that hold Holdings Units and shares of Class A common stock, and certain employees and directors that hold Holdings Units, will be entitled to rights with respect to the registration of their shares under the Securities Act. These registration rights are contained in our registration rights agreement. See “Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Registration rights agreement.”

Anti-takeover effects of our certificate of incorporation and our bylaws

Our certificate of incorporation and our bylaws contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions will discourage coercive takeover practices

Table of Contents

or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with the 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 may also discourage acquisitions that some stockholders may favor.

These provisions include:

- *Classified board.* Our certificate of incorporation provides that our board of directors will be divided into three classes of directors. As a result, approximately one-third of our board of directors will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our board. Following the closing of this offering, our board of directors will initially be composed of seven members.
- *No cumulative voting.* The DGCL provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless the certificate of incorporation specifically authorizes cumulative voting. Our certificate of incorporation does not authorize cumulative voting.
- *Requirements for removal of directors.* Following the date on which the TSG no longer beneficially owns a majority of our common stock, directors may only be removed for cause by the affirmative vote of the holders of at least 75% of the voting power of our outstanding shares of capital stock entitled to vote thereon.
- *Advance notice procedures.* Our bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to the board of directors. Stockholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the board of directors or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. Although the bylaws do not give the board of directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of our Company.
- *Actions by written consent; special meetings of stockholders.* Our certificate of incorporation provides that, following the date on which TSG no longer beneficially owns a majority of our common stock, stockholder action can be taken only at an annual or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting. Our certificate of incorporation also provides that, except as otherwise required by law, special meetings of the stockholders can only be called by or at the direction of the chairman of the board, a majority of the board of directors, or, until the date on which TSG no longer beneficially owns a majority of our common stock, by the secretary at the request of the holders of 50% or more of our outstanding shares of common stock.
- *Supermajority approval requirements.* Following the date on which TSG no longer beneficially owns a majority of our common stock, certain amendments to our certificate of incorporation and shareholder amendments to our bylaws will require the affirmative vote of at least 75% of the voting power of the outstanding shares of our capital stock entitled to vote thereon.
- *Authorized but unissued shares.* Our authorized but unissued shares of common and preferred stock will be available for future issuance without stockholder approval. The existence of authorized but unissued shares of preferred stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Table of Contents

- *Business combinations with interested stockholders* . We have elected in our certificate of incorporation not to be subject to Section 203 of the DGCL, an antitakeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with a person or group owning 15% or more of the corporation's voting stock for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. While we will not be subject to any anti-takeover effects of Section 203, our certificate of incorporation contains provisions that have the same effect as Section 203, except that they provide that investment funds affiliated with TSG will not be deemed to be an "interested stockholder," regardless of the percentage of our voting stock owned by investment funds affiliated with TSG, and accordingly we will not be subject to such restrictions.

Exclusive forum

Our certificate of incorporation requires, to the fullest extent permitted by law, that derivative actions brought in the name of the Company, actions against directors, officers and employees for breach of a fiduciary duty and other similar actions may be brought only in specified courts in the State of Delaware. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers. See "Risk Factors—Our certificate of incorporation designates courts in the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees."

Corporate opportunities

Our certificate of incorporation provides that we renounce any interest or expectancy in the business opportunities of TSG and of its officers, directors, agents, stockholders, members, partners, affiliates and subsidiaries and each such party shall not have any obligation to offer us those opportunities unless presented to one of our directors or officers in his or her capacity as a director or officer.

Limitations on liability and indemnification of directors and officers

Our certificate of incorporation limits the liability of our directors and officers to the fullest extent permitted by the DGCL and requires that we will provide them with customary indemnification. We also expect to enter into customary indemnification agreements with each of our directors that provide them, in general, with customary indemnification in connection with their service to us or on our behalf. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, we have been informed that in the opinion of the SEC such indemnification is against public policy and is therefore unenforceable. We also maintain officers' and directors' liability insurance that insures against liabilities that our officers and directors may incur in such capacities.

Transfer agent and registrar

The transfer agent and registrar for our Class A common stock is American Stock Transfer and Trust Company, LLC.

Listing

We intend to apply to list our Class A common stock on the NYSE under the symbol "PLNT."

Shares eligible for future sale

Before this offering, there has been no public market for our Class A common stock. As described below, only a limited number of shares currently outstanding will be available for sale immediately after this offering due to contractual and legal restrictions on resale. Nevertheless, future sales of substantial amounts of our Class A common stock, including shares issued upon the exercise of outstanding options, in the public market after this offering, or the perception that those sales may occur, could cause the prevailing market price for our Class A common stock to fall or impair our ability to raise capital through sales of our equity securities.

Upon the completion of this offering, we will have outstanding _____ shares of our Class A common stock, after giving effect to the issuance of _____ shares of our Class A common stock in this offering, assuming no exercise by the underwriters of their option to purchase additional shares and no exercise of options outstanding as of _____, 2015.

Of the shares that will be outstanding immediately after the completion of this offering, we expect that the _____ shares to be sold in this offering will be freely tradable without restriction under the Securities Act unless purchased by our “affiliates,” as that term is defined in Rule 144 under the Securities Act. Shares purchased by our affiliates may not be resold except pursuant to an effective registration statement or an exemption from registration, including the safe harbor under Rule 144 of the Securities Act described below.

In addition, upon consummation of this offering, the Continuing LLC Owners and the Direct TSG Investors will beneficially own _____ shares of our Class A common stock, including _____ shares of Class A common stock underlying Holdings Units. Pursuant to the terms of the exchange agreement that we will enter into with the Continuing LLC Owners in connection with this offering, the Continuing LLC Owners will have the right, from time to time and subject to the terms of the exchange agreement, to exchange their Holdings Units, together with a corresponding number of shares of our Class B common stock, for shares of our Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends, reclassifications and other similar transactions.

Shares of our Class A common stock held by the Continuing LLC Owners and the Direct TSG Investors would be “restricted securities,” as defined in Rule 144. As a result, absent registration under the Securities Act or compliance with Rule 144 thereunder or an exemption therefrom, these shares of Class A common stock will not be freely transferable to the public. However, we will enter into a registration rights agreement with the Continuing LLC Owners and the Direct TSG Investors that will require us to register under the Securities Act the resale of these shares of Class A common stock (including shares of our Class A common stock received in exchange for a corresponding number of Holdings Units and shares of Class B common stock). See “—Registration rights” and “Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Registration rights agreement.” Such securities registered under any registration statement will be available for sale in the open market unless restrictions apply.

The remaining _____ shares of our Class A common stock outstanding after this offering will be “restricted securities,” as that term is defined in Rule 144 of the Securities Act, and we expect that substantially all of these restricted securities will be subject to the lock-up agreements described below. These restricted securities may be sold in the public market only if the sale is registered or pursuant to an exemption from registration, such as the safe harbor provided by Rule 144.

Lock-up agreements

We and each of our directors, executive officers, the selling stockholders and certain other stockholders, who collectively own _____ shares of our common stock, or securities exercisable for or exchangeable into shares of our common stock, including Holdings Units, following this offering, have agreed that, without the prior

Table of Contents

written consent of certain of the underwriters, we and they will not, subject to limited exceptions, directly or indirectly sell or dispose of any shares of common stock or any securities convertible into or exchangeable or exercisable for shares of common stock for a period of 180 days after the date of this prospectus. The lock-up restrictions and specified exceptions are described in more detail under “Underwriting.”

Rule 144

In general, under Rule 144, beginning 90 days after the date of this prospectus, any person who is not our affiliate and has held their shares of Class A common stock for at least six months, including the holding period of any prior owner other than one of our affiliates, may sell shares without restriction, subject to the availability of current public information about us. In addition, under Rule 144, any person who is not our affiliate and has not been our affiliate at any time during the preceding three months and has held their shares of Class A common stock for at least one year, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell an unlimited number of shares of Class A common stock immediately upon the completion of this offering without regard to whether current public information about us is available.

Beginning 90 days after the date of this prospectus, a person who is our affiliate or who was our affiliate at any time during the preceding three months and who has beneficially owned restricted securities for at least six months, including the holding period of any prior owner other than one of our affiliates, is entitled to sell a number of shares of Class A common stock within any three-month period that does not exceed the greater of: (i) 1% of the number of shares of our Class A common stock outstanding, which will equal approximately shares immediately after this offering; and (ii) the average weekly trading volume of our Class A common stock on during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales under Rule 144 by our affiliates are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Rule 701

In general, under Rule 701 under the Securities Act, beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act, any of our employees, directors, officers, consultants or advisors who acquired shares of Class A common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 is entitled to sell such shares in reliance on Rule 144 but without compliance with certain of the requirements contained in Rule 144. Accordingly, subject to any applicable lock-up agreements, beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act, under Rule 701 persons who are not our affiliates may resell those shares without complying with the minimum holding period or public information requirements of Rule 144, and persons who are our affiliates may resell those shares without compliance with Rule 144’s minimum holding period requirements.

Equity incentive plans

Following this offering, we intend to file with the SEC a registration statement on Form S-8 under the Securities Act covering the shares of Class A common stock that are subject to options and other awards issuable pursuant to our equity incentive plans. Shares covered by such registration statement will be available for sale in the open market following its effective date, subject to certain Rule 144 limitations applicable to affiliates and the terms of lock-up agreements applicable to those shares.

Registration rights

Subject to the lock-up agreements described above, certain holders of our Class A common stock, or securities exercisable for or exchangeable into, shares of Class A common stock, including Holdings Units, may demand that we register the sale of their shares under the Securities Act or, if we file another registration statement under the Securities Act other than a Form S-8 covering securities issuable under our equity plans or on Form S-4, may elect to include their shares of Class A common stock in such registration. Following such registered sales, the shares will be freely tradable without restriction under the Securities Act, unless held by our affiliates. See “Certain relationships and related party transactions—Recapitalization transactions in connection with this offering—Registration rights agreement.”

Participation in this offering

Any shares purchased by potential purchasers in the directed share program cannot be resold in the public market immediately following this offering as a result of restrictions under securities laws and lock-up agreements, but are able to be sold following the expiration of these restrictions, in each case as described above.

Material U.S. federal income tax considerations for Non-U.S. Holders

The following is a summary of the material U.S. federal income and estate tax considerations relating to the purchase, ownership and disposition of shares of our Class A common stock issued pursuant to this offering by Non-U.S. Holders (defined below). This summary does not purport to be a complete analysis of all the potential tax considerations relevant to Non-U.S. Holders of shares of our Class A common stock. This summary is based upon the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), the Treasury regulations promulgated or proposed thereunder and administrative and judicial interpretations thereof, all as of the date hereof and all of which are subject to change or differing interpretations at any time, possibly with retroactive effect.

This summary assumes that shares of our Class A common stock are held by a Non-U.S. Holder as “capital assets” within the meaning of Section 1221 of the Internal Revenue Code (generally, property held for investment). This summary does not purport to deal with all aspects of U.S. federal income and estate taxation that might be relevant to particular Non-U.S. Holders in light of their particular investment circumstances or status, nor does it address specific tax considerations that may be relevant to particular persons subject to special treatment under U.S. federal income tax laws (including, for example, financial institutions, broker-dealers, insurance companies, partnerships or other pass-through entities or arrangements, certain U.S. expatriates or former long-term residents of the U.S., tax-exempt organizations, pension plans, “controlled foreign corporations,” “passive foreign investment companies,” corporations that accumulate earnings to avoid U.S. federal income tax, or persons in special situations, such as those who have elected to mark securities to market or those who hold shares of our Class A common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment). In addition, except as explicitly addressed herein with respect to estate tax, this summary does not address estate or any gift tax considerations or considerations arising under the tax laws of any state, local or non-U.S. jurisdiction or any consideration relating to the alternative minimum tax or the 3.8% tax on net investment income.

For purposes of this summary, a “Non-U.S. Holder” means a beneficial owner of shares of our Class A common stock that for U.S. federal income tax purposes, is an individual, corporation, estate or trust other than:

- an individual who is a citizen or resident of the United States;
- a corporation, or any other organization taxable as a corporation for U.S. federal income tax purposes, that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is included in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (1) a U.S. court is able to exercise primary supervision over the trust’s administration and one or more U.S. persons (as defined in the Internal Revenue Code) have the authority to control all of the trust’s substantial decisions or (2) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds shares of our Class A common stock, the tax treatment of persons treated as its partners for U.S. federal income tax purposes will generally depend upon the status of the partner and the activities of the partnership. Partnerships and other entities that are classified as partnerships for U.S. federal income tax purposes and persons holding our Class A common stock through a partnership or other entity classified as a partnership for U.S. federal income tax purposes are urged to consult their own tax advisors.

Table of Contents

There can be no assurance that the IRS will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling from the IRS or an opinion of counsel with respect to the U.S. federal income or estate tax consequences to a Non-U.S. Holder of the purchase, ownership or disposition of shares of our Class A common stock.

THIS SUMMARY IS NOT INTENDED TO BE TAX ADVICE. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME AND ESTATE TAXATION AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF SHARES OF OUR CLASS A COMMON STOCK, AS WELL AS THE APPLICATION OF STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX LAWS.

Distributions on shares of our Class A common stock

As discussed under “Dividend policy” above, we do not currently anticipate paying cash dividends on shares of our Class A common stock in the foreseeable future. In the event that we do make a distribution of cash or property with respect to shares of our Class A common stock, any such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent of our current or accumulated earnings and profits as determined under U.S. federal income tax principles, and will be subject to withholding as described in the next paragraph below. If a distribution exceeds our current or accumulated earnings and profits, the excess will be treated as a tax-free return of the Non-U.S. Holder’s investment, up to such holder’s adjusted tax basis in its shares of our Class A common stock, as determined on a share-per-share basis. Any remaining excess will be treated as capital gain, subject to the tax treatment described below in “—Gain on sale, exchange or other taxable disposition of shares of our Class A common stock.”

Any dividends paid to a Non-U.S. Holder with respect to shares of our Class A common stock generally will be subject to a 30% U.S. federal withholding tax unless such Non-U.S. Holder provides the applicable withholding agent with an appropriate and validly completed IRS Form W-8, such as:

- IRS Form W-8BEN (or successor form) or IRS Form W-8BEN-E (or successor form) certifying, under penalties of perjury, that such Non-U.S. Holder is entitled to a reduction in withholding under an applicable income tax treaty; or
- IRS Form W-8ECI (or successor form) certifying, under penalties of perjury, that a dividend paid on shares of our Class A common stock is not subject to withholding tax because it is effectively connected with conduct of a trade or business in the United States of the Non-U.S. Holder (in which case such dividend generally will be subject to regular graduated U.S. federal income tax rates on a net income basis as described below).

The certifications described above must be provided to the applicable withholding agent prior to the payment of dividends and must be updated periodically. The certification also may require a Non-U.S. Holder that provides an IRS form or that claims treaty benefits to provide its U.S. taxpayer identification number. Special certification and other requirements apply in the case of certain Non-U.S. Holders that are intermediaries or pass-through entities for U.S. federal income tax purposes.

If dividends are effectively connected with the conduct of a trade or business in the United States of the Non-U.S. Holder (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base maintained by such Non-U.S. Holder in the United States), the Non-U.S. Holder, although exempt from the withholding tax described above (provided that the certifications described above are satisfied), will generally be subject to U.S. federal income tax on such dividends on a net income basis in the same manner as if it were a resident of the U.S. In addition, if such Non-U.S. Holder is taxable as a corporation for U.S. federal income tax purposes, such Non-U.S. Holder may be subject to an additional “branch profits tax” equal to 30% of its effectively connected earnings and profits for the taxable year, unless an applicable income tax treaty provides otherwise.

Table of Contents

Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but which are eligible for a reduced rate of U.S. federal withholding tax pursuant to an applicable income tax treaty may obtain a refund or credit of any excess amount withheld by timely filing an appropriate claim for refund with the IRS.

Any distribution described in this section would also be subject to the discussion below in the section entitled “—Foreign Account Tax Compliance Act.”

Gain on sale, exchange or other taxable disposition of shares of our Class A common stock

Subject to the discussion below under “—Backup withholding and information reporting” and “—Foreign Account Tax Compliance Act,” in general, a Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax on any gain realized upon such holder’s sale, exchange or other disposition of shares of our Class A common stock (including a redemption, but only if the redemption would be treated as a sale or exchange rather than a distribution for U.S. federal income tax purposes) unless (i) such Non-U.S. Holder is an individual who is present in the U.S. for 183 days or more in the taxable year of disposition, and certain other conditions are met, (ii) we are or have been a “U.S. real property holding corporation,” as defined in the Internal Revenue Code (a “USRPHC”), at any time within the shorter of the five-year period preceding the disposition and the Non-U.S. Holder’s holding period with respect to the applicable shares of our Class A common stock (the “relevant period”) and certain other conditions are met, or (iii) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the U.S. (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base maintained by such Non-U.S. Holder in the U.S.).

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (unless an applicable income tax treaty provides otherwise) on the amount by which such Non-U.S. Holder’s capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the disposition.

With respect to the second exception above, although there can be no assurance, we believe we are not, and we do not currently anticipate becoming, a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of other business assets, there can be no assurance that we are not currently or will not become a USRPHC in the future. Generally, a corporation is a USRPHC only if the fair market value of its U.S. real property interests (as defined in the Internal Revenue Code) equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus certain other assets used or held for use in a trade or business. Even if we are or become a USRPHC, a Non-U.S. Holder would not be subject to U.S. federal income tax on a sale, exchange or other taxable disposition of our Class A common stock by reason of our status as a USRPHC so long as (a) our Class A common stock is regularly traded on an established securities market (within the meaning of Internal Revenue Code Section 897(c)(3)) during the calendar year in which such sale, exchange or other taxable disposition of our Class A common stock occurs and (b) such Non-U.S. Holder does not own and is not deemed to own (directly, indirectly or constructively) more than 5% of our Class A common stock at any time during the relevant period. If we are a USRPHC and the requirements of (a) or (b) are not met, gain on the disposition of shares of our Class A common stock generally will be taxed in the same manner as gain that is effectively connected with the conduct of a U.S. trade or business, except that the “branch profits tax” generally will not apply. Prospective investors are urged to consult their own tax advisors regarding the possible consequences to them if we are, or were to become, a USRPHC.

If the third exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax on a net income basis with respect to such gain in the same manner as if such holder were a resident of the U.S., unless

otherwise provided in an applicable income tax treaty. In addition, a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a “branch profits tax” on its effectively connected earnings and profits at a rate of 30%, unless an applicable income tax treaty provides otherwise.

Foreign Account Tax Compliance Act

Legislation commonly referred to as the Foreign Account Tax Compliance Act, as modified by Treasury regulations and subject to any official interpretations thereof, any applicable intergovernmental agreement between the U.S. and non-U.S. government to implement these rules and improve international tax compliance, or any fiscal or regulatory legislation or rules adopted pursuant to any such intergovernmental agreement (collectively, “FATCA”), generally will impose a U.S. federal withholding tax of 30% on payments to certain non-U.S. entities (including certain intermediaries), including dividends on and the gross proceeds from a sale or other disposition of our Class A common stock unless such persons comply with a complicated U.S. information reporting, disclosures and certification requirements. This new regime requires, among other things, a broad class of persons to obtain disclose and report information about their investors and account holders. These requirements are different from and in addition to the certification requirements described elsewhere in this discussion. The withholding rules apply currently to payments of dividends on shares of our Class A common stock, and are scheduled to apply to payments of gross proceeds from the sale or other dispositions of our Class A common stock paid after December 31, 2016. If a dividend payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under “—Distributions on shares of our Class A common stock,” the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. Prospective investors should consult their own tax advisors regarding the possible impact of these rules on their investment in our Class A common stock, and the entities through which they hold our Class A common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of this 30% withholding tax under FATCA.

Backup withholding and information reporting

We or a financial intermediary must report annually to the IRS and to each Non-U.S. Holder the gross amount of the distributions on shares of our Class A common stock paid to such holder and the tax withheld, if any, with respect to such distributions. These information reporting requirements apply even if withholding was not required. In addition to the requirements described above under “—Foreign Account Tax Compliance Act,” a Non-U.S. Holder generally will be subject to backup withholding at the then applicable rate for dividends paid to such holder unless such holder furnishes a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or such other applicable form and documentation as required by the Internal Revenue Code or the Treasury regulations promulgated thereunder) certifying under penalties of perjury that it is a Non-U.S. Holder (and the payor does not have actual knowledge or reason to know that such holder is a U.S. person as defined under the Internal Revenue Code). Dividends paid to Non-U.S. Holders subject to the U.S. federal withholding tax, as described above under “—Distributions on shares of our Class A common stock,” generally will be exempt from U.S. backup withholding.

Information reporting and backup withholding will generally apply to the payment of the proceeds of a disposition of shares of our Class A common stock by a Non-U.S. Holder effected by or through the U.S. office of any broker, U.S. or non-U.S., unless the holder certifies that it is not a U.S. person (as defined in the Internal Revenue Code) and satisfies certain other requirements, or otherwise establishes an exemption. For information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker, and dispositions otherwise effected through a non-U.S. office generally will not be subject to

Table of Contents

information reporting. Generally, backup withholding will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected through a non-U.S. office of a U.S. broker or non-U.S. office of a non-U.S. broker. Prospective investors are urged to consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns may be made available to the tax authorities of the country in which the Non-U.S. Holder resides or is incorporated, under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment made to a Non-U.S. Holder can be refunded or credited against such Non-U.S. Holder's U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

Federal estate tax

Shares of our Class A common stock held (or treated as held) by an individual who is not a U.S. citizen or resident (as defined for U.S. federal estate tax purposes) at the time of such individual's death will be included in such individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise, and, therefore, may be subject to U.S. federal estate tax.

Underwriting

We and the selling stockholders are offering the shares of Class A common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Jefferies LLC and Credit Suisse Securities (USA) LLC are acting as representatives of the underwriters named below. We and the selling stockholders have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we and the selling stockholders have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of Class A common stock listed next to its name in the following table.

Underwriter	Number of Shares
J.P. Morgan Securities LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Jefferies LLC	
Credit Suisse Securities (USA) LLC	
Guggenheim Securities, LLC	
Robert W. Baird & Co. Incorporated	
William Blair & Company, L.L.C.	
Piper Jaffray & Co.	
Cowen and Company, LLC	
Total	

The underwriters are committed to purchase all the shares of Class A common stock offered by us and the selling stockholders, other than those covered by the option to purchase additional shares described below, if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the shares of Class A common stock directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of \$ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to \$ per share from the initial public offering price. After the initial public offering of the shares, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to additional shares of Class A common stock to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option. If any shares are purchased with this option, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of Class A common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriters have reserved for sale at the initial public offering price up to shares of Class A common stock, or approximately % of the shares of being offered by this prospectus, for sale to some of our directors, officers, employees and other parties associated with us or our Sponsor in a directed share program. The number of shares of Class A common stock available for sale to the general public in the offering will be reduced to the extent these parties purchase the reserved shares. Any reserved shares of Class A common stock

Table of Contents

not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered in this prospectus.

The underwriting fee is equal to the public offering price per share of Class A common stock less the amount paid by the underwriters to us and the selling stockholders per share of Class A common stock. The underwriting fee is \$ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Paid by the Company		Paid by the selling stockholders	
	No exercise	Full exercise	No exercise	Full exercise
Per share	\$	\$	\$	
Total	\$	\$	\$	

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately \$. We have agreed to reimburse the underwriters for certain expenses in connection with this offering in the amount not exceeding \$. The underwriters have agreed to reimburse certain of our expenses incurred in connection with this offering.

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not:

- 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 or otherwise transfer or dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge or disposition; or
- enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities,

regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise, in each case without the prior written consent of J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated for a period of 180 days after the date of this prospectus, other than the shares of our common stock to be sold hereunder and subject to certain other limited exceptions.

Our directors, executive officers, the selling stockholders and certain other stockholders have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of 180 days after the date of this prospectus, may not, without the prior written consent of J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated:

- 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, or otherwise transfer or dispose of, directly or indirectly, regardless of whether any such transaction is to be settled by delivery of our common stock or such other

Table of Contents

securities, in cash or otherwise, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such directors, executive officers and stockholders in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant) or publicly disclose the intention to make any offer, sale, pledge or disposition;

- enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock or such other securities, regardless of whether any such transaction is to be settled by delivery of our common stock or such other securities, in cash or otherwise; or
- make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock.

We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

We intend to apply to have our Class A common stock approved for listing on the NYSE under the symbol “PLNT.”

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of Class A common stock in the open market for the purpose of preventing or retarding a decline in the market price of the Class A common stock while this offering is in progress. These stabilizing transactions may include making short sales of the Class A common stock, which involves the sale by the underwriters of a greater number of shares of Class A common stock than they are required to purchase in this offering, and purchasing shares of Class A common stock on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ over-allotment option referred to above, or may be “naked” shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their over-allotment option, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the over-allotment option. 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 Class A common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the Class A common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase Class A common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of increasing or maintaining the market price of the Class A common stock or preventing or retarding a decline in the market price of the Class A common stock, and, as a result, the price of the Class A common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the NYSE, in the over-the-counter market or otherwise.

Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price will be determined by negotiations among us, the selling stockholders and the representatives of the

Table of Contents

underwriters. In determining the initial public offering price, we, the selling stockholders and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters, the selling stockholders and us.

Neither we nor the selling stockholders nor the underwriters can assure investors that an active trading market will develop for our Class A common stock, or that the shares will trade in the public market at or above the initial public offering price.

Other than in the United States, no action has been taken by us, the selling stockholders or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to prospective investors in the United Kingdom

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Notice to prospective investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the European Union Prospectus Directive (the “EU Prospectus Directive”) was implemented in that Relevant Member State no offer of securities described in this prospectus may be made to the public in that Relevant Member State other than:

- to any legal entity which is a “qualified investor” as defined under the EU Prospectus Directive;

Table of Contents

- to fewer than 150 natural or legal persons (other than “qualified investors” as defined in the EU Prospectus Directive), per Relevant Member State, subject to obtaining the prior consent of the underwriters; or
- in any other circumstances falling within Article 3(2) of the EU Prospectus Directive, provided that no such offer of securities shall result in a requirement for us or any underwriter to publish a prospectus pursuant to Article 3 of the EU Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the EU Prospectus Directive and each person who initially acquires any securities or to whom any offer is made will be deemed to have represented, warranted and agreed to and with each of the underwriters and us that it is a “qualified investor” within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the EU Prospectus Directive.

For the purposes of this provision, the expression an “offer of securities to the public” in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State. The expression “EU Prospectus Directive” means Directive 2003/71/EC, as amended, including by Directive 2010/73/EU, and includes any relevant implementing measure in each Relevant Member State.

Notice to prospective investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to prospective investors in the 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.

Notice to prospective investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission (“ASIC”), in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the “Corporations Act”), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the “Exempt Investors”) who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Notice to prospective investors in Hong Kong

The securities 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 Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the securities 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 securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to prospective investors in Japan

The securities 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.

Notice to prospective investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares 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 (as defined in Section 239(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 pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Other relationships

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 affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. An affiliate of J.P. Morgan Securities LLC is the administrative agent and a lender and an affiliate of Jefferies LLC is a lender under the credit agreement governing our senior secured credit facility. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Table of Contents

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 such investment and securities activities may involve securities and/or instruments of the issuer. The underwriters and their respective affiliates may also make investment recommendations and/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 and/or short positions in such securities and instruments.

Solebury Capital LLC ("Solebury"), a FINRA member, is acting as our financial advisor in connection with the offering. Solebury is not acting as an underwriter and will not sell or offer to sell any securities and will not identify, solicit or engage directly with potential investors. In addition, Solebury will not underwrite or purchase any of the offered securities or otherwise participate in any such undertaking.

Legal matters

The validity of the issuance of our Class A common stock offered in this prospectus will be passed upon for us by Ropes & Gray LLP, Boston, Massachusetts. The underwriters are being represented by Simpson Thacher & Bartlett LLP, New York, New York.

Experts

The balance sheet of Planet Fitness, Inc. as of March 16, 2015 has been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Pla-Fit Holdings, LLC as of December 31, 2013 and 2014 (Successor), and for the period from January 1, 2012 to November 7, 2012 (Predecessor), the period from November 8, 2012 to December 31, 2012 (Successor) and for the years ended December 31, 2013 and 2014 (Successor), have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm 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 shares of Class A common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits filed therewith. For further information with respect to us and the Class A common stock offered hereby, please refer to the registration statement and the exhibits filed therewith. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. A copy of the registration statement and the exhibits filed therewith may be inspected without charge at the public reference room maintained by the SEC, located at 100 F Street N.E., Washington, D.C. 20549, and copies of all or any part of the registration statement may be obtained from such offices upon the payment of the fees prescribed by the SEC. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. The SEC also maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The SEC's website address is www.sec.gov.

Upon completion of this offering, we will become subject to the information and periodic reporting requirements of the Exchange Act and, in accordance therewith, we will file periodic reports, proxy statements and other information with the SEC. Such periodic reports, proxy statements and other information will be available for inspection and copying at the public reference room and website of the SEC referred to above.

Index to financial statements

	Page
Planet Fitness, Inc.	
<u>Report of independent registered public accounting firm</u>	F-2
<u>Balance sheet as of March 16, 2015</u>	F-3
<u>Notes to balance sheet</u>	F-4
<u>Interim balance sheet (unaudited) as of March 31, 2015</u>	F-5
<u>Notes to balance sheets</u>	F-6
Pla-Fit Holdings, LLC and subsidiaries	
Consolidated financial statements as of December 31, 2013 and 2014 (Successor) and the periods from January 1, 2012 to November 7, 2012 (Predecessor) and from November 8, 2012 to December 31, 2012 (Successor) and the years ended December 31, 2013 and 2014 (Successor)	
<u>Report of independent registered public accounting firm</u>	F-7
<u>Consolidated balance sheets</u>	F-8
<u>Consolidated statements of operations</u>	F-9
<u>Consolidated statements of comprehensive income</u>	F-10
<u>Consolidated statements of cash flows</u>	F-11
<u>Consolidated statements of changes in equity</u>	F-13
<u>Notes to consolidated financial statements</u>	F-14
Interim condensed consolidated financial statements (unaudited) for the quarters ended March 31, 2015 and March 31, 2014	
<u>Condensed consolidated balance sheets</u>	F-48
<u>Condensed consolidated statements of operations</u>	F-49
<u>Condensed consolidated statements of comprehensive income</u>	F-50
<u>Condensed consolidated statements of cash flows</u>	F-51
<u>Condensed consolidated statement of changes in equity</u>	F-52
<u>Notes to condensed consolidated financial statements</u>	F-53

Report of independent registered public accounting firm

The Board of Directors
Planet Fitness, Inc.:

We have audited the accompanying balance sheet of Planet Fitness, Inc. (the "Corporation") as of March 16, 2015. The balance sheet is the responsibility of the Corporation's management. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Planet Fitness, Inc. at March 16, 2015, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Boston, Massachusetts
March 25, 2015

Planet Fitness, Inc. Balance sheet

	March 16, 2015
Assets	\$ 1
Commitments and Contingencies	
Stockholder's Equity	
Common stock, par value \$0.01 per share, 1,000 shares authorized, 100 shares issued and outstanding	1
Total Stockholder's Equity	\$ 1

See accompanying notes to balance sheet.

Planet Fitness, Inc.

Notes to balance sheet

(1) Organization

Planet Fitness, Inc. (the "Corporation") was formed as a Delaware corporation on March 16, 2015. The Corporation was formed for the purpose of completing a public offering and related transactions in order to carry on the business of Pla-Fit Holdings, LLC and subsidiaries (the "Company"). The Corporation will be the sole managing member of the Company and will operate and control all of the businesses and affairs of the Company and continue to conduct the business now conducted by the Company.

(2) Summary of significant accounting policies

Basis of accounting

The balance sheet has been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Separate statements of operations, comprehensive income, changes in stockholder's equity, and cash flows have not been presented in the financial statements because there have been no activities in this entity.

(3) Stockholder's equity

The Corporation is authorized to issue 1,000 shares of Common Stock, par value \$0.01 per share, 100 shares of which have been issued and are outstanding as of March 16, 2015.

Planet Fitness, Inc.
Balance sheets
(unaudited)

	March 16, 2015	March 31, 2015
Assets	\$ 1	\$ 1
Commitments and Contingencies		
Stockholder's Equity		
Common stock, par value \$0.01 per share, 1,000 shares authorized, 100 shares issued and outstanding	1	1
Total Stockholder's Equity	\$ 1	\$ 1

See accompanying notes to balance sheets.

Planet Fitness, Inc.

Notes to balance sheets

(unaudited)

(1) Organization

Planet Fitness, Inc. (the "Corporation") was formed as a Delaware corporation on March 16, 2015. The Corporation was formed for the purpose of completing a public offering and related transactions in order to carry on the business of Pla-Fit Holdings, LLC. The Corporation will be the sole managing member of Pla-Fit Holdings, LLC and will operate and control all of the businesses and affairs of Pla-Fit Holdings, LLC and, through Pla-Fit Holdings, LLC and its subsidiaries, continue to conduct the business now conducted by these subsidiaries.

(2) Summary of Significant Accounting Policies

Basis of Accounting

The balance sheet as of March 31, 2015 is unaudited. The balance sheets have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Separate statements of operations, comprehensive income, changes in stockholder's equity, and cash flows have not been presented in the financial statements because there have been no activities in this entity.

(3) Stockholder's Equity

The Corporation is authorized to issue 1,000 shares of Common Stock, par value \$0.01 per share, 100 shares of which were issued and outstanding at March 16, 2015 and March 31, 2015.

Report of independent registered public accounting firm

The Board of Directors and Members
Pla-Fit Holdings, LLC:

We have audited the accompanying consolidated balance sheets of Pla-Fit Holdings, LLC and subsidiaries as of December 31, 2013 and 2014 (Successor), and the related consolidated statements of operations, comprehensive income, cash flows, and changes in equity for period from January 1, 2012 to November 7, 2012 (Predecessor), the period from November 8, 2012 to December 31, 2012 (Successor), and the years ended December 31, 2013 and 2014 (Successor). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Pla-Fit Holdings, LLC and subsidiaries as of December 31, 2013 and 2014 (Successor), and the results of their operations and their cash flows for the period from January 1, 2012 to November 7, 2012 (Predecessor), the period from November 8, 2012 to December 31, 2012 (Successor), and the years ended December 31, 2013 and 2014 (Successor), in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Boston, Massachusetts
March 25, 2015

Pla-Fit Holdings, LLC and subsidiaries

Consolidated balance sheets

(Amounts in thousands)

	December 31,	
	2013	2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 31,267	\$ 43,291
Accounts receivable, net of allowance for bad debts of \$352 and \$399 at December 31, 2013 and 2014, respectively	15,783	19,275
Due from related parties, current	1,332	1,141
Inventory	2,243	3,012
Notes receivable, current	513	1,290
Restricted assets—NAF (note 6)	1,351	—
Prepaid expenses	3,573	4,355
Other current assets	1,485	2,954
Total current assets	57,547	75,318
Property and equipment, net	33,766	49,579
Intangible assets, net	303,328	295,162
Goodwill	157,210	176,981
Notes receivable, net of current portion	3,672	2,007
Other assets, net	6,573	10,229
Total assets	\$ 562,096	\$ 609,276
Liabilities and Equity		
Current liabilities:		
Current maturities of long-term debt	\$ 9,500	\$ 3,900
Accounts payable	25,517	26,738
Accrued expenses	4,862	8,494
Current maturities of obligations under capital leases	1,162	376
Equipment deposits	2,647	6,675
Restricted liabilities—NAF (note 6)	1,351	—
Deferred revenue, current	11,444	14,549
Other current liabilities	264	153
Total current liabilities	56,747	60,885
Long-term debt, net of current maturities	173,375	383,175
Obligations under capital leases, net of current portion	423	45
Deferred rent, net of current portion	1,376	3,012
Deferred revenue, net of current portion	7,193	9,330
Deferred tax liabilities—non current	593	606
Other liabilities	474	474
Total noncurrent liabilities	183,434	396,642
Commitments and contingencies (note 17)		
Equity:		
Members' equity	315,623	146,156
Accumulated other comprehensive income (loss)	92	(636)
Total equity attributable to Pla-Fit Holdings, LLC	315,715	145,520
Noncontrolling interests in variable interest entities	6,200	6,229

Total equity	<u>321,915</u>	<u>151,749</u>
Total liabilities and equity	<u>\$ 562,096</u>	<u>\$ 609,276</u>

See accompanying notes to consolidated financial statements.

Pla-Fit Holdings, LLC and subsidiaries

Consolidated statements of operations

(Amounts in thousands)

	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	(Predecessor)	(Successor)		
Revenue:				
Franchise	\$ 21,289	\$ 4,420	\$ 33,684	\$ 58,001
Commission income	7,189	1,837	10,473	13,805
Corporate-owned stores	40,360	8,822	67,364	85,041
Equipment	49,062	26,708	99,488	122,930
Total revenue	117,900	41,787	211,009	279,777
Operating costs and expenses:				
Cost of revenue	41,064	21,480	81,353	100,306
Store operations	28,381	5,950	41,692	49,476
Selling, general and administrative	19,475	2,633	23,118	35,121
Depreciation and amortization	5,676	6,959	28,808	32,341
Other (gain) loss (notes 4 and 5)	(1,921)	—	—	994
Total operating costs and expenses	92,675	37,022	174,971	218,238
Income from operations	25,225	4,765	36,038	61,539
Other income (expense), net:				
Interest income	897	100	496	377
Interest expense	(2,249)	(2,530)	(9,408)	(22,177)
Other income (expense)	29	(125)	(694)	(1,261)
Total other expense, net	(1,323)	(2,555)	(9,606)	(23,061)
Income before taxes	23,902	2,210	26,432	38,478
Provision for income taxes	656	56	633	1,183
Net income	23,246	2,154	25,799	37,295
Less net income attributable to noncontrolling interests (note 4)	1,015	32	361	487
Net income attributable to Pla-Fit Holdings, LLC	\$ 22,231	\$ 2,122	\$ 25,438	\$ 36,808
Unaudited pro forma financial information (note 21, unaudited)				\$
Historical income before taxes				
Pro forma provision for income taxes				
Pro forma net income				
Pro forma net income attributable to noncontrolling interests				

Pro forma net income attributable to the Company		\$
Pro forma net income per share information (note 21, unaudited)		
Pro forma net income per share of Class A common stock		
Basic		\$
Diluted		\$
Pro forma weighted average shares of Class A common stock outstanding		
Basic		
Diluted		

See accompanying notes to consolidated financial statements.

Pla-Fit Holdings, LLC and subsidiaries

Consolidated statements of comprehensive income

(Amounts in thousands)

	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	(Predecessor)	(Successor)		
Net income including noncontrolling interests	\$ 23,246	\$ 2,154	\$ 25,799	\$ 37,295
Other comprehensive income (loss), net:				
Gains (losses) on interest rate swaps	—	—	92	(92)
Unrealized loss on interest rate cap	—	—	—	(662)
Foreign currency translation adjustments	—	—	—	26
Total other comprehensive income (loss)	—	—	92	(728)
Total comprehensive income including noncontrolling interests	23,246	2,154	25,891	36,567
Total comprehensive income attributable to noncontrolling interests	1,015	32	361	487
Total comprehensive income attributable to Pla-Fit Holdings, LLC	\$ 22,231	\$ 2,122	\$ 25,530	\$ 36,080

See accompanying notes to consolidated financial statements.

Pla-Fit Holdings, LLC and subsidiaries

Consolidated statements of cash flows

(Amounts in thousands)

	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	(Predecessor)	(Successor)		
Cash flows from operating activities:				
Net income	\$ 23,246	\$ 2,154	\$ 25,799	\$ 37,295
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	5,676	6,959	28,808	32,341
Amortization of deferred financing costs	283	75	1,582	1,315
Amortization of favorable leases and asset retirement obligations	—	34	246	501
Deferred tax benefit	(25)	(101)	(1,430)	(63)
Provision for bad debts	129	24	57	139
Gains on disposal of property and equipment	(20)	(22)	(52)	(545)
Loss on extinguishment of debt	—	—	—	4,697
Gain on sale of subsidiaries and variable interest entities	(1,921)	—	—	—
Changes in operating assets and liabilities, excluding effects of acquisitions and dispositions:				
State income taxes	—	—	(364)	(1,670)
Accounts receivable	4,458	(5,399)	(3,101)	(3,632)
Notes receivable and due from related parties	(1,129)	5,025	1,281	177
Inventory	188	(493)	(1,750)	(769)
Other assets and other current assets	(4,599)	1,093	(776)	(1,818)
Accounts payable and accrued expenses	(713)	3,142	13,456	5,042
Other liabilities and other current liabilities	104	182	421	(2)
Equipment deposits	3,350	(1,885)	(1,803)	4,028
Deferred revenue	880	1,488	3,398	842
Deferred rent	670	205	1,171	1,527
Net cash provided by operating activities	30,577	12,481	66,943	79,405
Cash flows from investing activities:				
Acquisition of the Company, net of cash acquired	—	(215,336)	—	—
Additions to property and	(4,308)	(856)	(7,287)	(16,650)

equipment				
Acquisition of franchises	(12,140)	—	—	(38,638)
Proceeds from sale of property and equipment and insurance recoveries	39	36	150	926
Acquisition of intangibles	(335)	—	—	—
Net cash used in investing activities	(16,744)	(216,156)	(7,137)	(54,362)

continued

Pla-Fit Holdings, LLC and subsidiaries

Consolidated statements of cash flows

(Amounts in thousands)
continued

	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	(Predecessor)	(Successor)		
Cash flows from financing activities:				
Successor capital contribution, net of cash acquired	—	215,336	—	—
Proceeds from issuance of long-term debt	8,500	190,000	—	390,000
Principal payments on capital lease obligations	(2,354)	(490)	(3,291)	(1,162)
Repayment of long-term debt	(1,203)	(40,052)	(10,544)	(185,800)
Payment of deferred financing and other debt-related costs	(360)	(7,161)	(19)	(7,785)
Net (repayments) borrowings on line of credit	14,500	3,525	(3,525)	—
Repayment of interim financing	—	(165,000)	—	—
Premiums paid for interest rate caps	—	—	—	(2,373)
Acquisition of PFPA noncontrolling interest	(4,895)	—	—	—
Contributions from members	4,792	—	—	—
Contributions from variable interest entities	—	22	3,402	—
Distributions to variable interest entities	(1,651)	—	(960)	(458)
Distributions to members	(23,127)	(3,739)	(23,057)	(205,374)
Net cash (used in) provided by financing activities	(5,798)	192,441	(37,994)	(12,952)
Effects of exchange rate changes on cash and cash equivalents	—	—	—	(67)
Net increase (decrease) in cash and cash equivalents	8,035	(11,234)	21,812	12,024
Cash and cash equivalents, beginning of period	12,986	20,689	9,455	31,267
Cash and cash equivalents, end of period	<u>\$ 21,021</u>	<u>\$ 9,455</u>	<u>\$ 31,267</u>	<u>\$ 43,291</u>
Supplemental cash flow information:				
Net cash paid for income taxes	\$ 1,194	\$ 285	\$ 1,826	\$ 1,604
Cash paid for interest	2,056	2,021	7,638	20,756
Non-cash investing activities:				
Non-cash consideration for	\$ —	\$ —	\$ —	\$ 3,000

acquisition of franchises							
Non-cash additions to property and equipment	—			—	—		1,049
Rollover equity investment by MMC	—			78,750	—		—
Interim financing in connection with the 2012 Acquisition	—			165,000	—		—
NY/NJ acquisition and consolidation of PF Melville:							
Fair value of assets contributed	\$	44,143		\$	—	\$	—
Liabilities assumed		(5,396)		—	—		—
Equity contribution of net assets		(38,747)		—	—		—
Sale of subsidiary:							
Assets sold	\$	(1,531)		\$	—	\$	—
Liabilities forgiven		483		—	—		—
Issuance of note receivable		1,500		—	—		—
Non-cash financing activities:							
Non-cash distributions to members	\$	—		\$	—	\$	901

See accompanying notes to consolidated financial statements.

Pla-Fit Holdings, LLC and subsidiaries

Consolidated statements of changes in equity

(Amounts in thousands)

	Members' equity (deficit)	Accumulated other comprehensive income (loss)	Noncontrolling interests in variable interest entities	Total equity
Predecessor				
Balance at December 31, 2011	\$ (6,475)	\$ —	\$ 8,236	\$ 1,761
Net income	22,231	—	1,015	23,246
Contributions from members	4,792	—	—	4,792
NY/NJ acquisition	38,747	—	275	39,022
Acquisition of PFPA	(5,287)	—	392	(4,895)
Acquisition of Colorado	(118)	—	118	—
Distributions to members	(23,127)	—	(1,651)	(24,778)
Balance at November 7, 2012	<u>\$ 30,763</u>	<u>\$ —</u>	<u>\$ 8,385</u>	<u>\$ 39,148</u>
Successor				
Successor capital contribution	\$ 314,250	\$ —	\$ —	\$ 314,250
Net income	2,122	—	32	2,154
Noncontrolling interests and eliminations	609	—	3,343	3,952
Contributions from members	—	—	22	22
Distributions to members	(3,739)	—	—	(3,739)
Balance at December 31, 2012	313,242	—	3,397	316,639
Net income	25,438	—	361	25,799
Other comprehensive income	—	92	—	92
Contributions from members	—	—	3,402	3,402
Distributions to members	(23,057)	—	(960)	(24,017)
Balance at December 31, 2013	315,623	92	6,200	321,915
Net income	36,808	—	487	37,295
Other comprehensive loss	—	(728)	—	(728)
Distributions to members	(206,275)	—	(458)	(206,733)
Balance at December 31, 2014	<u>\$ 146,156</u>	<u>\$ (636)</u>	<u>\$ 6,229</u>	<u>\$ 151,749</u>

See accompanying notes to consolidated financial statements.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

(1) Business organization

Planet Fitness is a franchisor and operator of fitness centers, with more than 6 million members and 918 owned and franchised locations (referred to as stores) in 47 states across the United States, Puerto Rico and Canada as of December 31, 2014.

Planet Fitness Holdings, LLC (Holdings or the Predecessor) was established on March 1, 2008 to serve as the reporting entity for various subsidiaries that operate three distinct lines of business:

- Licensing and selling franchises under the Planet Fitness trade name.
- Owning and operating fitness centers under the Planet Fitness trade name.
- Selling fitness-related equipment to franchisee-owned stores.

Prior to November 7, 2012, Holdings was wholly owned by three individuals (Michael Grondahl, Marc Grondahl, and Christopher Rondeau, collectively known as MMC). On November 7, 2012, MMC contributed their ownership interests in Holdings to a newly formed entity, Pla-Fit Holdings LLC (the Company or the Successor) and on November 8, 2012 the Company was acquired as part of a transaction between MMC and TSG PF Investment LLC (TSG), for consideration totaling \$479,250 (the TSG Acquisition) (see note 3).

The TSG Acquisition was accounted for using the purchase method of accounting which resulted in a new basis for the assets acquired and liabilities assumed. Accordingly, although the Company continues with the same core operations after the TSG Acquisition, the accompanying consolidated financial statements reflect Holdings' historical accounting basis for the periods prior to the TSG Acquisition (the Predecessor) and the Company's new accounting basis for the period following the TSG Acquisition (the Successor).

(2) Summary of significant accounting policies

(a) Basis of presentation and consolidation

The accompanying consolidated financial statements include the accounts of the Company and its predecessor, Holdings, and have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). All significant intercompany balances and transactions have been eliminated in consolidation.

The Company also consolidates entities in which it has a controlling financial interest, the usual condition of which is ownership of a majority voting interest. The Company also considers for consolidation certain interests where the controlling financial interest may be achieved through arrangements that do not involve voting interests. Such an entity, known as a variable interest entity (VIE), is required to be consolidated by its primary beneficiary. The primary beneficiary of a VIE is considered to possess the power to direct the activities of the VIE that most significantly impact its economic performance and has the obligation to absorb losses or the rights to receive benefits from the VIE that are significant to it. The principal entities in which the Company possesses a variable interest include franchise entities and certain other entities. The Company is not deemed to be the primary beneficiary for Planet Fitness franchise entities. Therefore, these entities are not consolidated.

During 2012, certain changes occurred, including the TSG Acquisition, which impacted the consolidation status of certain VIEs. As such, the results of the Successor have been consolidated with Matthew Michael Realty LLC

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

(MMR) and PF Melville LLC (PF Melville) based on the determination that the Company is the primary beneficiary with respect to these VIEs. These entities are real estate holding companies that derive a majority of their financial support from the Company through lease arrangements.

The results of the Predecessor for all or a portion of the period from January 1, 2012 through November 7, 2012 have been consolidated with the following VIEs in which Holdings or one of its subsidiaries has been determined to be the primary beneficiary (see note 4):

- 304 Maplewood, LLC (304 Maplewood); MMC Fox Run, LLC (MMC Fox Run); MMCT Realty, LLC (MMCT); MMR, MMC Crosby Road LLC (MMC Crosby Road); and PF Melville (collectively, the Real Estate Entities). These are all real estate holding companies that previously had common ownership with Holdings and derived a majority of their financial support from Holdings (see note 4).
- PFPA, LLC (PFPA), Fitness 41, LLC (Planet Fitness OK), and Pla-Fit Colorado, LLC (Colorado) operate Planet Fitness franchises in certain parts of Pennsylvania, Oklahoma, and Colorado, respectively. The aforementioned entities previously had common ownership with Holdings and received financial support from Holdings in the form of guarantees and advances. Holdings acquired the remaining ownership interest in PFPA on February 1, 2012 and Colorado on September 30, 2012 (see note 5). The common ownership in Planet Fitness OK was terminated on September 30, 2012 (see note 4).

With the exception of the change in basis, the accounting principles utilized are the same for the Predecessor and the Successor.

(b) Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results. Significant areas where estimates and judgments are relied upon by management in the preparation of the consolidated financial statements include revenue recognition, consolidation of VIEs, valuation of assets and liabilities in connection with acquisitions, valuation of share based compensation awards, and the evaluation of the recoverability of goodwill and long-lived assets, including intangible assets.

(c) Concentrations

Cash and cash equivalents are financial instruments, which potentially subject the Company to a concentration of credit risk. The Company invests its excess cash in several major financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Company maintains balances in excess of these limits, but does not believe that such deposits with its banks are subject to any unusual risk.

The credit risk associated with trade receivables is mitigated due to the large number of customers, generally our franchisees, and their broad dispersion over many different geographic areas. We do not have any concentrations with respect to our revenues.

The Company purchases equipment, both for corporate-owned stores and for sales to franchisee-owned stores, from two primary vendors. For the year ended December 31, 2013 purchases from these two vendors comprised

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

66% and 27%, respectively of total equipment purchases. For the year ended December 31, 2014 purchases from these two vendors comprised 66% and 25%, respectively of total equipment purchases.

The Company, including Planet Fitness NAF, LLC (NAF) uses one primary vendor for advertising services. Purchases from this vendor totaled 68% and 61% of total advertising purchases for the years ended December 31, 2013 and 2014, respectively (see note 6 for further discussion of NAF).

(d) Cash and cash equivalents

The Company considers all highly liquid investments purchased with an original maturity of 90 days or less to be cash equivalents. Cash held within the NAF is recorded as a restricted asset (see note 6).

(e) Revenue recognition

Franchise

The following revenues are generated as a result of transactions with or related to the Company's franchisees.

Area development fees

Franchisees contractually enter into area development agreements (ADAs) to secure the exclusive right to open franchise stores within a defined geographical area. ADAs establish the timing and number of stores to be developed within the defined geographical area. Pursuant to an ADA, a franchisee is generally required to pay an initial nonrefundable development fee for a minimum number of stores to be developed, as outlined in the respective ADA. ADA fees collected in advance are deferred until the Company provides substantially all required obligations pursuant to the ADA. As the efforts and total cost relating to initial services are affected significantly by the number of stores opened in an area, the respective ADA is treated as a divisible contract. As each new site is accepted under an ADA, a franchisee signs a franchise operating agreement for the respective franchise location. As each store opened under an ADA typically has performance obligations associated with it, the Company recognizes ADA revenue as each individual franchise location is developed in proportion to the total number of stores to be developed under the ADA. These obligations are typically completed once the store is opened or the franchisee executes the individual property lease. As of December 31, 2013 and 2014, the deferred revenue for ADAs was \$7,867 and \$8,215, respectively. ADAs generally have an initial term equal to the number of years over which the franchisee is required to open franchise stores, which is typically 5 to 10 years. There is no right of refund for an executed ADA. Upon default, as defined in the agreement, the Company may reacquire the rights pursuant to an ADA, and all remaining deferred revenue is recognized at that time.

Franchise fees and performance fees

For stores opened without an ADA, the Company generally charges an initial upfront nonrefundable franchise fee. Nonrefundable franchise fees are typically deferred until the franchisee executes a lease and receives initial training for the location, which is the point at which the Company has determined it has provided all of its material obligations required to recognize revenue. As of December 31, 2013 and 2014, the Company has recorded deferred franchise fees of \$206 and \$205, respectively, relating to stores to be opened in future years. These amounts are included in deferred revenue as of December 31, 2013 and 2014.

The individual franchise agreements typically have a 10-year initial term, but provide the franchisee with an opportunity to enter into successive renewals subject to certain conditions.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

Franchise agreements entered into prior to 2010 may include performance fees, which are fees earned by the Company upon each franchise store reaching a predetermined amount of total monthly membership billings. Performance fees are recognized when the related performance thresholds have been met.

Royalties

Royalties, which represent recurring fees paid by franchisees based on the franchisee-owned stores' monthly membership billings, are recognized on a monthly basis over the term of the franchise agreement. As specified under certain franchise agreements, the Company recognizes additional royalty fees as the franchisee-owned stores attain contractual monthly membership billing threshold amounts. Beginning in 2010, for all new franchise agreements entered into, the Company began charging a fixed royalty percentage based upon gross membership billings.

Other fees

Online member join fees are paid to the Company by franchisees for processing new membership transactions when a new member signs up for a membership to a franchisee-owned store through the Company's website.

Billing transaction fees are paid to the Company by franchisees for the processing of franchisee membership dues and annual fees through the Company's third-party hosted point-of-sale system.

Placement

The Company is generally responsible for assembly and placement of equipment it sells to franchisee-owned stores. Placements revenue is recognized upon completion and acceptance of the services at the franchise location.

Commission income

The Company recognizes commission income from its franchisees' use of preferred vendor arrangements. Commissions are recognized when amounts have been earned and collectability from the vendor is reasonably assured.

Corporate-owned stores

The following revenues are generated from stores owned and operated by the Company.

Membership dues revenue

Customers are offered multiple membership choices varying in length. Membership dues are earned and recognized over the membership term on a straight-line basis.

Enrollment fee revenue

Enrollment fees are charged to new members at the commencement of their membership. The Company recognizes enrollment fees ratably over the estimated duration of the membership life, which is generally two years.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

Annual membership fee revenue

Annual membership fees are annual fees charged to members in addition to and in order to maintain low monthly membership dues. The Company recognizes annual membership fees ratably over the 12-month membership period.

Retail sales

The Company sells Planet Fitness branded apparel, food, beverages, and other accessories. The revenue for these items is recognized at the point of sale.

Equipment

The Company sells and delivers equipment purchased from third-party equipment manufacturers to franchisee-owned stores. Equipment revenue is recognized upon the equipment being delivered to and assembled at each store and accepted by the franchisee. Franchisees are charged for all freight costs incurred for the delivery of equipment. Freight revenue is recorded within equipment revenue and freight costs are recorded within cost of revenue. The Company recognizes revenue on a gross basis in these transactions as management has determined the Company to be the principal in these transactions. Management determined the Company to be the principal because the Company is the primary obligor in these transactions, the Company has latitude in establishing prices for the equipment sales to franchisees, the Company has supplier selection discretion and is involved in determination of product specifications, and the Company bears all credit risk associated with obligations to the equipment manufacturers.

Equipment deposits are recognized as a liability on the accompanying consolidated balance sheets until delivery, assembly (if required), and acceptance by the franchisee. As of December 31, 2013 and 2014, equipment deposits were \$2,647 and \$6,675, respectively.

Sales tax

All revenue amounts are recorded net of applicable sales tax.

(f) Deferred revenue

Deferred revenue represents cash received from franchisees for ADAs and franchise fees for which revenue recognition criteria has not yet been met and cash received from members for enrollment fees, membership dues and annual fees for the portion not yet earned based on the membership period.

ASC Topic 805, *Business Combinations*, required the Successor to recognize a liability related to deferred revenue previously recorded by the Predecessor at its fair value on the acquisition date rather than its historical book value. As such, the Successor did not record \$8,038 of deferred revenues that had been recorded by the Predecessor as of November 7, 2012, but instead reduced the value of goodwill as of November 8, 2012.

(g) Cost of revenue

Cost of revenue consists of direct costs associated with equipment sales, including freight costs, direct costs related to the maintenance and support of the Company's proprietary system-wide point-of-sale system, and

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

the cost of retail merchandise sold in corporate-owned stores. Costs related to the point-of-sale system were \$0, \$0, \$1,107 and \$3,385 for the period from January 1, 2012 through November 7, 2012 (Predecessor), the period from November 8, 2012 through December 31, 2012 (Successor), and for the years ended December 31, 2013 and 2014 (Successor), respectively. Costs related to retail merchandise were immaterial in all periods presented. Rebates from equipment vendors where the Company has recognized the related equipment revenue and costs are recorded as a reduction to the cost of revenue.

(h) Store operations

Store operations consists of the direct costs related to operating corporate-owned stores, including our store management and staff, rent expense, utilities, supplies, maintenance, and local advertising.

(i) Selling, general and administrative

Selling, general and administrative expenses consist of costs associated with administrative and franchisee support functions related to our existing business as well as growth and development activities. These costs primarily consist of payroll, IT related, marketing, legal and accounting expenses. These expenses include costs related to placement services of \$1,159, \$532, \$2,245, and \$2,743, for the period from January 1, 2012 through November 7, 2012 (Predecessor), the period from November 8, 2012 through December 31, 2012 (Successor), and for the years ended December 31, 2013 and 2014 (Successor), respectively.

(j) Accounts and notes receivable

Accounts receivable is primarily comprised of amounts owed to the Company resulting from equipment, placement, and commission revenue. Notes receivable arise primarily from financing activities with franchisees. On a periodic basis, and at least annually, the Company evaluates its accounts and notes receivable and may establish an allowance for doubtful accounts based on collections and current credit conditions. Accounts are written off as uncollectible when it is determined that further collection efforts will be unsuccessful. Notes receivable are generally secured by all property, assets, and rights owned by the franchisee. Historically, the Company has not had a significant amount of write-offs.

(k) Leases and asset retirement obligations

The Company recognizes rent expense related to leased office and operating space on a straight-line basis over the term of the lease. The difference between rent expense and rent paid, if any, is the result of escalation provisions and lease incentives, such as tenant improvements provided by lessors, and is recorded as deferred rent in the Company's consolidated balance sheets.

In accordance with ASC Topic 410, *Asset Retirement and Environmental Obligations*, the Company establishes assets and liabilities for the present value of estimated future costs to return certain leased facilities to their original condition. Such assets are depreciated on a straight-line basis over the lease period into operating expense, and the recorded liabilities are accreted to the future value of the estimated restoration costs.

(l) Property and equipment

Property and equipment is recorded at cost and depreciated using the straight-line method over its related estimated useful life. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the related asset, whichever is shorter. Upon sale or retirement, the asset cost and related accumulated depreciation are removed from the respective accounts, and any related gain or loss is

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

reflected in the consolidated statements of operations. Ordinary maintenance and repair costs are expensed as incurred. The estimated useful lives of the Company's fixed assets by class of asset are as follows:

	Years
Buildings and building improvements	20–40
Computers and equipment	3
Furniture and fixtures	5
Leasehold improvements	Useful life or term of lease whichever is shorter
Fitness equipment	5–7
Vehicles	5

(m) Advertising expenses

The Company expenses advertising costs as incurred. Advertising expenses, net of amounts reimbursed by franchisees, are included within selling, general and administrative expenses and totaled \$4,708, \$481, \$5,731 and \$7,272 for the period from January 1, 2012 to November 7, 2012 (Predecessor), the period from November 8, 2012 to December 31, 2012 (Successor) and the years ended December 31, 2013 and 2014 (Successor), respectively. See note 6 for discussion of the national advertising fund.

(n) Goodwill, long-lived assets, and other intangible assets

Goodwill and other intangible assets that arise from acquisitions are recorded in accordance with ASC Topic 350, *Intangibles—Goodwill and Other*. In accordance with this guidance, specifically identified intangible assets must be recorded as a separate asset from goodwill if either of the following two criteria is met: (1) the intangible asset acquired arises from contractual or other legal rights; or (2) the intangible asset is separable. Intangibles are typically trade and brand names, customer relationships, noncompete agreements, reacquired franchise rights, and favorable or unfavorable leases. Transactions are evaluated to determine whether any gain or loss on reacquired franchise rights, based on their fair value, should be recognized separately from identified intangibles. Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in a business combination.

Goodwill and indefinite-lived intangible assets are not amortized, but are reviewed annually for impairment or more frequently if impairment indicators arise. Separable intangible assets that are not deemed to have an indefinite life are amortized over their estimated useful lives on either a straight-line or accelerated basis as deemed appropriate, and are reviewed for impairment when events or circumstances suggest that the assets may not be recoverable.

The Company performs its annual test for impairment of goodwill and indefinite lived intangible assets on December 31 of each year. For goodwill, the first step of the impairment test is to determine whether the carrying amount of a reporting unit exceeds the fair value of the reporting unit. If the carrying amount of the reporting unit exceeds the reporting unit's fair value, the Company would be required to perform a second step of the impairment test as this is an indication that the reporting unit's goodwill may be impaired. The second step compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. Any impairment loss would be recognized in an amount equal to the excess of the carrying value of

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

the goodwill over the implied fair value of the goodwill. The Company is also permitted to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. If the Company concludes it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it need not perform the two-step impairment test.

For indefinite lived intangible assets, the impairment assessment consists of comparing the carrying value of the asset to its estimated fair value. To the extent that the carrying value exceeds the fair value of the asset, an impairment is recorded to reduce the carrying value to its fair value. The Company is also permitted to make a qualitative assessment of whether it is more likely than not an indefinite lived intangible asset's fair value is less than its carrying value prior to applying the quantitative assessment. If based on the Company's qualitative assessment it is not more likely than not that the carrying value of the asset is less than its fair value, then a quantitative assessment is not required.

The Company determined that no impairment charges were required during any periods presented.

The Company applies the provisions of ASC Topic 360, *Property, Plant and Equipment*, which requires that long-lived assets, including amortizable intangible assets, be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for impairment, then assets are required to be grouped and evaluated at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or asset group to the undiscounted future net cash flows expected to be generated by the asset or asset group. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There were no events or changes in circumstances that required the Company to test for impairment during any of the periods presented.

(o) Income taxes

The Company and its wholly owned subsidiaries were formed as limited liability companies (LLCs) and have elected to be taxed as partnerships for both federal and state purposes (pass-through entities). For federal and certain state income tax purposes, the members of the Company include the net income or loss from the pass-through entities in their individual income tax returns. Additionally, other VIEs consolidated with the Company were formed as LLCs in their state of origin and have also elected to be taxed as pass-through entities. Beginning in 2014, the Company, through two wholly owned Canadian subsidiaries, is also subject to taxation in Canada.

The Company accounts for income taxes using the asset and liability method. Deferred income taxes are recognized for the expected future tax consequences attributable to temporary differences between the carrying amount of the existing tax assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied in the years in which temporary differences are expected to be recovered or settled. The principal items giving rise to temporary differences are the use of accelerated depreciation and certain basis differences resulting from acquisitions including the TSG Acquisition. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company does incur state income taxes in certain states, principally New Hampshire.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

The Company recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs (see note 14).

During 2013 the Company changed its position with respect to taxes due on interest and dividends to the state of New Hampshire that had previously been paid by the members of the Predecessor. This resulted in the Company making tax payments in 2013 totaling \$4,392 for periods prior to November 7, 2012. This amount is included within other income (expense) for the year ended December 31, 2013 for the Successor and is fully offset by amounts received from the members of the Predecessor as reimbursement for the taxes paid, also recorded within other income (expense) for the year ended December 31, 2013 for the Successor. This position is not available for periods subsequent to November 7, 2012 and therefore taxes on interest and dividends due and payable in the Successor periods are paid by the members of the Successor.

(p) Fair value measurements

ASC 820, *Fair Value Measurements and Disclosures*, establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

Level 1—Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The table below presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2013 and 2014:

	Total fair value at December 31, 2013	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Interest rate swap	\$ 92	\$ —	\$ 92	\$ —

	Total fair value at December 31, 2014	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Interest rate caps	\$ 1,711	\$ —	\$ 1,711	\$ —

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

The Company's derivative assets as of December 31, 2014 consist of interest rate caps that effectively manage the risk above certain interest rates for a portion of the Company's variable rate debt. The derivative positions are valued using models that use readily observable market parameters (such as forward yield curves) and are classified within Level 2 of the valuation hierarchy. The Company considers the credit risk of its counterparties when evaluating the fair value of its derivatives.

The Company's interest rate cap and interest rate swap are the only asset or liability in the consolidated balance sheets measured at fair value as of December 31, 2013 and 2014, respectively. See note 11 for further discussion.

Assets and liabilities that are measured at fair value on a nonrecurring basis primarily include assets acquired and liabilities assumed in business combination transactions and assets and liabilities measured in the course of assessing goodwill and other long-lived assets for impairment. The fair values used in these nonrecurring measurements are generally Level 3 measurements.

(q) Financial instruments

The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short-term nature of these instruments. The carrying value of debt also approximates fair value as it is variable rate debt. The Company has determined that the determination of the fair value of amounts due from related parties under long-term arrangements is impracticable given the related-party nature of these arrangements. The carrying value of notes receivable approximates fair value based on similar interest rates charged for these arrangements in recent transactions.

(r) Derivative instruments and hedging activities

The Company recognizes all derivative instruments as either assets or liabilities in the balance sheet at their respective fair values. For derivatives designated in hedging relationships, changes in the fair value are either offset through earnings against the change in fair value of the hedged item attributable to the risk being hedged or recognized in accumulated other comprehensive income, to the extent the derivative is effective at offsetting the changes in cash flows being hedged until the hedged item affects earnings.

The Company only enters into derivative contracts that it intends to designate as a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge). For all hedging relationships, the Company formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the hedged transaction, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively, and a description of the method used to measure ineffectiveness. The Company also formally assesses, both at the inception of the hedging relationship and on an ongoing basis, whether the derivatives that are used in hedging relationships are highly effective in offsetting changes in cash flows of hedged transactions. For derivative instruments that are designated and qualify as part of a cash flow hedging relationship, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

The Company discontinues hedge accounting prospectively when it determines that the derivative is no longer effective in offsetting cash flows attributable to the hedged risk, the derivative expires or is sold, terminated, or exercised, the cash flow hedge is de-designated because a forecasted transaction is not probable of occurring, or management determines to remove the designation of the cash flow hedge.

In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company continues to carry the derivative at its fair value on the balance sheet and recognizes any subsequent changes in its fair value in earnings. When it is probable that a forecasted transaction will not occur, the Company discontinues hedge accounting and recognizes immediately in earnings gains and losses that were accumulated in other comprehensive income related to the hedging relationship.

See note 11 for further information.

(s) Equity-based compensation

The Company has an equity-based compensation plan under which it receives services from employees as consideration for equity instruments of the Company. The compensation expense is determined based on the fair value of the award as of the grant date. Compensation expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. No compensation expense has been recognized related to the Company's equity-based compensation plan since distributions in respect of these awards (other than tax distributions) are contingent upon a liquidity event occurring. See note 16 for further information.

(t) Guarantees

The Company, as a guarantor, is required to recognize, at inception of the guaranty, a liability for the fair value of the obligation undertaken in issuing the guarantee. See notes 4 and 17 for further discussion of such obligations guaranteed.

(u) Contingencies

The Company records estimated future losses related to contingencies when such amounts are probable and estimable. The Company includes estimated legal fees related to such contingencies as part of the accrual for estimated future losses.

(v) Reclassifications

Certain amounts have been reclassified to conform to current year presentation, including placement revenue which was previously classified in equipment revenue and is now classified in franchise revenue. Placement revenue was \$1.3 million, \$3.6 million, \$6.3 million, and \$8.5 million for the period from January 1, 2012 to November 7, 2012 (Predecessor), the period from November 8, 2012 to December 31, 2012 (Successor), and the years ended December 31, 2013 and 2014 (Successor), respectively.

(w) Recent accounting pronouncements

The FASB issued ASU No. 2015-02, *Income Statement—Consolidation* in February 2015. This guidance affects reporting entities that are required to evaluate whether they should consolidate certain legal entities. Specifically, the guidance 1) modifies the evaluation of whether limited partnerships and similar legal entities are variable interest entities or voting interest entities, 2) eliminates the presumption that a general partner should

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

consolidate a limited partnership, 3) affects the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships, and 4) provides a scope exception from consolidation guidance for reporting entities with interests in legal entities that are required to comply with or operate in accordance with requirements that are similar to those in Rule 2a-7 of the Investment Company Act of 1940 for registered money market funds. The guidance is effective for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

The FASB issued ASU No. 2015-01, *Income Statement—Extraordinary and Unusual Items: Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items* in January 2015. This guidance eliminates from GAAP the concept of extraordinary items. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the guidance prospectively. A reporting entity also may apply this guidance retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

The FASB issued ASU No. 2014-17, *Business Combinations (Topic 805): Pushdown Accounting*, in November 2014. ASU 2014-17 provides an acquired entity with an option to apply pushdown accounting in its separate financial statements upon occurrence of an event in which an acquirer obtains control of the acquired entity. An acquired entity may elect the option to apply pushdown accounting in the reporting period in which the change-in-control event occurs. This guidance is effective for annual periods beginning after December 15, 2015 and the effective date of adoption depends on the timing of that first in-scope transaction. Early adoption is permitted. The Company will evaluate whether to apply this guidance for applicable transactions in the future.

The FASB issued ASU No. 2014-12, *Stock Compensation: Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period* in June 2014.

This ASU finalizes Proposed ASU EITF-13D of the same name, and seeks to resolve the diversity in practice that exists when accounting for share-based payments. In particular, ASU 2014-12 requires a performance target that affects vesting and that could be achieved after the requisite service period to be treated as a performance condition. A reporting entity should apply existing guidance in Topic 718, *Compensation—Stock Compensation*, as it relates to awards with performance conditions that affect vesting to account for such awards, and, thus, the performance target should not be reflected in estimating the grant-date fair value of the award. This guidance is effective for annual periods and interim periods within those annual periods beginning after December 15, 2015, with earlier adoption permitted. The Company does not expect that the adoption of this standard will have a material impact on its financial statements.

The FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, in May 2014. ASU 2014-09 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should also disclose sufficient quantitative and qualitative information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The new standard is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect the new guidance will have on its consolidated financial statements and related disclosures and has not yet selected a transition method.

The FASB issued ASU No. 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* in April 2014. ASU 2014-08 changes the requirements for reporting discontinued operations. This ASU limits discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have a major effect on an entity's operations and financial results. The new standard became effective for any disposals of components of the Company in annual reporting periods beginning after December 15, 2014. The Company implemented the provisions of ASU 2014-08 as of January 1, 2015. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

The FASB issued ASU 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists* in July 2013. ASU 2013-11 requires an unrecognized tax benefit, or a portion of an unrecognized tax benefit, to be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. ASU 2013-11 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2014. The new standard will be applied prospectively but retrospective application is permitted. The Company implemented the provisions of ASU 2013-11 as of January 1, 2015. The Company does not expect the adoption of this guidance to have a material impact on the Company's consolidated financial statements.

(3) TSG acquisition

On November 8, 2012, the Company was acquired in a transaction with TSG for \$479,250. The consideration consisted of equity contributions totaling \$314,250, including a rollover investment of \$78,750 by MMC and \$165,000 of interim notes payable from TSG to MMC. The interim notes payable were repaid in connection with the financing agreements entered into in December 2012 by the Successor (see note 10).

The following table summarizes the consideration and the fair values of the assets acquired and liabilities assumed at the acquisition date based on the final valuation and purchase price allocation:

Total consideration transferred, net of cash acquired	\$ 459,086
Recognized amounts of identifiable assets acquired and liabilities assumed at their fair values:	
Accounts receivable	\$ 7,364
Property, plant and equipment	28,461
Other assets	17,669
Identifiable intangibles	332,335
Accounts payable, accrued expenses and other liabilities assumed	(68,265)
Deferred revenues	(13,751)
Deferred income taxes	(1,937)
Total net assets acquired	301,876
Goodwill	157,210
Total	<u>\$ 459,086</u>

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

The purchase price allocation to the identifiable intangible assets acquired is as follows:

	Weighted average useful life (in years)	Fair value
Trade and brand names	Indefinite	\$ 146,300
Customer relationships	11	165,900
Noncompete agreements	5	14,500
Favorable leases, net	9	2,235
Order backlog	—	3,400
		<u>\$ 332,335</u>

These acquired intangible assets are being amortized primarily on a straight-line basis, over their estimated useful lives by the Successor. Order backlog was amortized over the period in which the orders were fulfilled and certain customer relationships are being amortized on an accelerated basis.

The fair values of the intangible assets acquired were determined using the income approach based on significant inputs that are not observable. The Company considers the fair value of each of the acquired intangible assets to be Level 3 assets due to the significant estimates and assumptions used by management in establishing the estimated fair values.

In connection with the TSG Acquisition, the Predecessor incurred \$6,638 of expenses that are included in the consolidated statement of operations for the period ended November 7, 2012, of which \$4,792 was funded by equity contributions by MMC.

(4) Variable interest entities

The Company classifies income attributable to noncontrolling interests as part of consolidated net income and includes the accumulated amount of noncontrolling interests as a component of equity. Net income, excluding the amount allocable to noncontrolling interests, is presented as "Net income attributable to members of Pla-Fit Holdings, LLC." The presentation of changes in equity distinguishes between equity amounts attributable to members and amounts attributable to the noncontrolling interests. Distributions to noncontrolling interests are classified as financing cash flows. In addition, increases and decreases in the Company's controlling financial interests are reported within equity as long as such changes do not result in a loss of control. If a change occurs that results in loss of control and deconsolidation, any retained ownership interests are remeasured at fair value with the gain or loss reported in net income.

The carrying values of VIEs included in the consolidated financial statements as of December 31 are as follows:

	2013		2014	
	Assets	Liabilities	Assets	Liabilities
PF Melville	\$ 3,446	\$ —	\$ 3,479	\$ —
MMR	2,754	—	2,750	—
Total	<u>\$ 6,200</u>	<u>\$ —</u>	<u>\$ 6,229</u>	<u>\$ —</u>

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

In August 2012, MMC became the sole members of PF Melville and management determined that the Company was the primary beneficiary of this VIE. Therefore, Holdings began consolidating PF Melville in August 2012. During 2013 the ownership of this entity changed; however, this did not impact the determination that the Company continues to be the primary beneficiary of this VIE.

During 2013, the ownership of MMR changed; however, the Company continues to be the primary beneficiary of this VIE, therefore MMR remains a consolidated VIE.

The TSG Acquisition and certain other transactions resulted in the deconsolidation of MMCT, 304 Maplewood, MMC Fox Run, and MMC Crosby during 2012.

On September 30, 2012, the Company acquired the remaining interest in Colorado from the individual members for one dollar (see note 5). This resulted in Colorado becoming a wholly owned subsidiary of Holdings rather than a consolidated VIE.

On February 1, 2012, the Company purchased 100% interest in PFPA and an affiliated entity, which were formerly 51% owned by the members of the Predecessor (see note 5). This resulted in PFPA becoming a wholly owned subsidiary of Holdings rather than a consolidated VIE.

On December 31, 2011, the operations of Planet Development, LLC, an entity which had been consolidated as a VIE based on common ownership, were discontinued. During 2012, the remaining net assets of Planet Development, LLC were distributed to the individual members of the Predecessor, and the Company recognized a \$702 gain on the dissolution.

On September 30, 2012, one of the individual members of the Predecessor sold their interest in Planet Fitness OK and the Company recognized a \$767 gain on the sale. As a result of this transaction, Planet Fitness OK is no longer a consolidated VIE.

The Company also has variable interests in certain franchisees mainly through the guarantee of certain debt and lease agreements as well as financing provided by the Company as well as by certain related parties; however, the Company has determined it is not the primary beneficiary of these franchisees based on the criteria described in note 2(a). The Company's maximum obligation, as a result of its guarantees of leases and debt, is approximately \$3,902 and \$2,896 as of December 31, 2013 and 2014, respectively.

The amount of maximum obligation represents a loss that the Company could incur from the variability in credit exposure without consideration of possible recoveries through insurance or other means. In addition, the amount bears no relation to the ultimate settlement anticipated to be incurred from the Company's involvement with these entities, which is estimated at \$0.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

(5) Business acquisitions, dispositions, and noncontrolling interests

On March 31, 2014, the Company purchased certain assets from one of its franchisees, including eight franchisee-owned stores in New York, for consideration of \$42,931, including a cash payment of \$39,931 and a \$3,000 discount to be applied to future equipment purchases. The \$3,000 equipment discount has been recorded as deferred revenue by the Company and is being recognized as future equipment sales are made by the Company to the franchisee. In addition, as a result of the transaction, the Company incurred a loss on unfavorable reacquired franchise rights of \$1,293, which has been reflected in other operating costs in the statement of operations. The loss incurred reduced the net purchase price to \$41,638. The Company financed the purchase through its credit facility. The purchase consideration was allocated as follows:

Fixed assets	\$ 7,634
Reacquired franchise rights	8,950
Membership relationships	5,882
Favorable leases, net	700
Other assets	35
Goodwill	19,771
Liabilities assumed, including deferred revenues	(1,334)
Total	<u>\$ 41,638</u>

The following unaudited, pro forma financial information assumes the acquisition of these eight franchisee-owned stores occurred on January 1, 2013. The unaudited pro forma consolidated revenue and net income for the years ended December 31, 2013 and 2014 are provided for informational purposes only and do not purport to represent the Company's actual consolidated results had each acquisition occurred on the date assumed, nor are these necessarily indicative of the Company's future consolidated results of operations.

Years ended December 31, (unaudited)	2013	2014
Revenue	\$ 228,772	\$ 284,211
Net Income	\$ 25,166	\$ 41,039

Revenue and net income relating to the acquisition of these eight franchisee-owned stores since the acquisition date of March 31, 2014, amounting to \$12,169 and \$3,860, respectively, have been included in the consolidated statement of operations for the year ended December 31, 2014.

On September 30, 2012, Holdings acquired the remaining interest in Colorado from the individual members of the Predecessor for one dollar. In accordance with ASC Topic 810, *Consolidation*, because Colorado was already a consolidated VIE, Holdings recorded this purchase as an equity transfer of \$(118) from noncontrolling interest to members' equity.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

On August 10, 2012, the individual members of Holdings liquidated their ownership in a limited liability company that was established in 2009. In conjunction with the liquidation, Holdings forgave \$650 of indebtedness to the franchise entity and the members received and concurrently contributed to Holdings certain assets of the entity, including 10 stores in New York and New Jersey (the NY/NJ acquisition). Holdings recorded this equity contribution at the fair value of the net assets contributed, in accordance with ASC Topic 805, *Business Combinations*. The fair value of the contribution was allocated based on a valuation as follows:

	Amount
Fixed assets	\$ 5,667
Reacquired franchise rights and membership relationships	14,900
Reacquired area development rights	600
Goodwill	22,488
Other assets	488
Unfavorable leases, net	(26)
Forgiveness of note receivable	(650)
Deferred tax liabilities	(438)
Liabilities assumed	(4,282)
 Total	 <u><u>\$ 38,747</u></u>

On August 1, 2012, Holdings purchased the assets of a franchise entity, including four stores in Delaware and Pennsylvania, for a cash payment of \$12,140. Holdings financed the purchase through its revolving credit facility and operating cash. The purchase price was allocated as follows:

	Amount
Fixed assets	\$ 2,022
Reacquired franchise rights and membership relationships	9,629
Reacquired area development rights	90
Goodwill	956
Liabilities assumed, including deferred revenues	(557)
 Total	 <u><u>\$ 12,140</u></u>

On June 1, 2012, Holdings sold certain assets related to two stores in Rhode Island to a third party. In exchange for the assets sold, Holdings received a note receivable of \$1,500. The note bears interest at 7% and calls for monthly payments of principal and interest with a lump-sum payment of \$1,224 due upon maturity on July 1, 2015. Holdings recorded a \$452 gain on the sale.

On February 1, 2012, Holdings purchased 100% interest in PFPA and an affiliated entity, which were formerly 51% owned by the members of the Predecessor. The combined purchase included 11 stores in Pennsylvania for an additional investment of approximately \$5,000. Holdings financed the purchase through its revolving credit facility. In accordance with ASC Topic 810, *Consolidation*, because PFPA was already a consolidated VIE, Holdings recorded this purchase as an equity transaction, reducing members' equity by \$5,287 and increasing noncontrolling interest in VIEs by \$392.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

In all of the acquisitions above, the estimated fair values of the intangible assets acquired were determined using the income approach based on significant inputs that are not observable. All amounts related to Predecessor transactions were revalued in connection with the TSG acquisition. The Company considers the fair value of each of the acquired intangible assets to be Level 3 assets due to the significant estimates and assumptions used by management in establishing the estimated fair values.

(6) National advertising fund

On July 26, 2011, the Company established NAF for the creation and development of marketing, advertising, and related programs and materials for all Planet Fitness stores. On behalf of the NAF, the Company collects 2% of gross monthly membership billings from franchisees, in accordance with the provisions of the franchise agreements. The Company also contributes 2% of monthly membership billings from corporate-owned stores to the NAF. The use of amounts received by NAF is restricted to advertising, product development, public relations, merchandising, and administrative expenses and programs to increase sales and further enhance the public reputation of the Planet Fitness brand. The Company consolidates and reports all assets and liabilities held by NAF. Amounts received by NAF are reported as restricted assets and restricted liabilities within current assets and current liabilities on the consolidated balance sheets. The Company provides administrative services to NAF and charges NAF a fee for providing those services. These services include accounting services, information technology, data processing, product development, legal and administrative support, and other operating expenses, which amounted to \$534, \$92, \$865 and \$1,010 for the period from January 1, 2012 to November 7, 2012 (Predecessor), the period from November 8, 2012 through December 31, 2012 (Successor) and for the years ended December 31, 2013 and 2014 (Successor), respectively. The fees paid to the Company by NAF are included in the consolidated statements of operations as a reduction in general and administrative expense, where the expense incurred by the Company was initially recorded.

(7) Notes receivable

The Company has various notes receivable from franchisees to facilitate ongoing business. Notes receivable consist of unpaid principal and accrued interest. There were two notes receivable as of December 31, 2014, with maturity dates ranging from July 1, 2015 to February 1, 2018. The balance as of December 31 consists of the following current and noncurrent portions:

	2013	2014
Current portion of notes receivable	\$ 513	\$ 1,290
Long-term portion of notes receivable	<u>3,672</u>	<u>2,007</u>
Total notes receivable	<u><u>\$ 4,185</u></u>	<u><u>\$ 3,297</u></u>

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

(8) Property and equipment

Property and equipment as of December 31 consists of the following:

	2013	2014
Land	\$ 910	\$ 910
Equipment	13,001	22,137
Leasehold improvements	19,001	27,361
Buildings and improvements	5,341	5,119
Vehicles	141	155
Other	2,343	4,250
Construction in progress	—	5,375
	40,737	65,307
Accumulated depreciation	(6,971)	(15,728)
Total	<u>\$ 33,766</u>	<u>\$ 49,579</u>

In connection with the TSG Acquisition, the gross value of property and equipment was adjusted to its estimated fair value and accumulated depreciation was reset to \$0.

The Company recorded depreciation expense of \$4,142, \$869, \$6,171 and \$9,138 for the period from January 1, 2012 to November 7, 2012 (Predecessor), the period from November 8, 2012 to December 31, 2012 (Successor) and for the years ended December 31, 2013 and 2014 (Successor), respectively. Refer to note 17 for capital lease commitments.

(9) Goodwill and intangible assets

A summary of goodwill and intangible assets at December 31, 2013 is as follows:

	Weighted average amortization period (years)	Gross carrying amount	Accumulated amortization	Net carrying amount
Customer relationships	11.3	\$ 165,900	\$ (21,995)	\$ 143,905
Noncompete agreements	5.0	14,500	(3,328)	11,172
Favorable leases	8.5	2,235	(284)	1,951
Order backlog	0.4	3,400	(3,400)	—
		186,035	(29,007)	157,028
Indefinite-lived intangible:				
Trade and brand names	N/A	146,300	—	146,300
Total intangible assets		<u>332,335</u>	<u>(29,007)</u>	<u>303,328</u>
Goodwill		<u>\$ 157,210</u>	<u>\$ —</u>	<u>\$ 157,210</u>

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

A summary of goodwill and intangible assets at December 31, 2014 is as follows:

	Weighted average amortization period (years)	Gross carrying amount	Accumulated amortization	Net carrying Amount
Customer relationships	11.1	\$ 171,782	\$ (41,130)	\$ 130,652
Noncompete agreements	5.0	14,500	(6,229)	8,271
Favorable leases	7.5	2,935	(779)	2,156
Order backlog	0.4	3,400	(3,400)	—
Reacquired franchise rights	5.8	8,950	(1,167)	7,783
		201,567	(52,705)	148,862
Indefinite-lived intangible:				
Trade and brand names	N/A	146,300	—	146,300
Total intangible assets		<u>\$ 347,867</u>	<u>\$ (52,705)</u>	<u>\$ 295,162</u>
Goodwill		<u>\$ 176,981</u>	<u>\$ —</u>	<u>\$ 176,981</u>

The changes in the carrying amount of goodwill are as follows:

	Franchise	Corporate- owned stores	Equipment	Total
As of December 31, 2012	\$ 16,938	\$ 47,606	\$ 92,666	\$ 157,210
Additions	—	—	—	—
As of December 31, 2013	16,938	47,606	92,666	157,210
Acquisition of franchises	—	19,771	—	19,771
As of December 31, 2014	<u>\$ 16,938</u>	<u>\$ 67,377</u>	<u>\$ 92,666</u>	<u>\$ 176,981</u>

Amortization expense related to the intangible assets totaled \$1,499, \$6,124, \$22,883 and \$23,698 for the period from January 1, 2012 to November 7, 2012 (Predecessor), the period from November 8, 2012 to December 31, 2012 (Successor), and for the years ended December 31, 2013 and 2014 (Successor), respectively. Included within these total amortization expense amounts are \$34, \$246, and \$495 related to amortization of favorable and unfavorable leases for the period from November 8, 2012 to December 31, 2012, and for the years ended December 31, 2013 and 2014, respectively. Amortization of favorable and unfavorable leases is recorded within store operations as a component of rent expense in the consolidated statements of operations. The anticipated annual amortization expense to be recognized in future years as of December 31, 2014 is as follows:

2015	\$ 21,519
2016	19,756
2017	18,215
2018	14,582
2019	14,215
Thereafter	60,575
Total	<u>\$ 148,862</u>

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

(10) Long-term debt

Long-term debt as of December 31 consists of the following:

	2013	2014
Pla-Fit Holdings:		
Term loan B requires quarterly installments plus interest through the term of the loan, maturing March 31, 2021. Outstanding borrowings bear interest at LIBOR or base rate (as defined) plus a margin at the election of the borrower (4.75% at December 31, 2014)	\$ —	\$ 387,075
Revolving credit line, requires interest only payments through the term of the loan, maturing March 31, 2019. Outstanding borrowings bear interest at LIBOR or base rate (as defined) plus a margin at the election of the borrower (4.25% at December 31, 2014)	—	—
Term loan A requires quarterly installments plus interest through the term of the loan, maturing December 14, 2017. Outstanding borrowings bear interest at LIBOR or base rate (as defined) plus a margin at the election of the borrower Term Loan repaid on March 31, 2014	182,875	—
Revolving credit line requires interest only payments through the term of the loan, maturing December 14, 2017. Outstanding borrowings bear interest at LIBOR or base rate (as defined) plus a margin at the election of the borrower Revolving credit line terminated on March 31, 2014	—	—
	182,875	387,075
Current portion of long-term debt and line of credit	9,500	3,900
Long-term debt, net of current portion	<u>\$ 173,375</u>	<u>\$ 383,175</u>

On March 31, 2014, the Company entered into a five-year \$430,000 credit facility with a consortium of banks and lenders to refinance the existing indebtedness, as well as to provide funds for working capital, capital expenditures, acquisitions, and general corporate purposes. The facility consists of a \$390,000 Term Loan and a \$40,000 Revolving Credit Facility. The unused portion of the Revolving Credit Facility as of December 31, 2014 was \$40,000. The Term Loan calls for quarterly principal installment payments of \$975 through March 2021. Capitalized debt issuance costs associated with the financing totaled \$7,785 and are reflected in other long-term assets in the Successor's consolidated balance sheet, net of accumulated amortization of \$886 as of December 31, 2014.

On December 12, 2012, the Company entered into a five-year \$230,000 credit facility with a consortium of banks led by J.P. Morgan Chase Bank (JP Morgan) to refinance existing indebtedness, as well as to provide funds for working capital, capital expenditures, loans to franchisees, acquisitions, and general corporate purposes. The facility consisted of a \$190,000 Term Loan and \$40,000 Revolving Credit Facility. The Term Loan was paid in full as a result of the Credit Facility entered into on March 31, 2014. Capitalized debt issuance costs associated with the financing totaled \$7,161. As part of the Credit Facility transaction on March 31, 2014, the Company wrote off the portions of the unamortized debt issuance costs related to the term loan as well as a portion of the debt issuance costs related to the revolving credit facility totaling \$4,697. This amount is

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

reflected as a loss on extinguishment in the consolidated statement of operations. Unamortized debt issuance costs associated with the 2012 credit facility of \$447 is reflected in other long-term assets in the Company's consolidated balance sheet, net of accumulated amortization of \$51 as of December 31, 2014.

In conjunction with the TSG Acquisition, TSG issued notes payable to MMC totaling \$165,000. These notes bore interest at 10% annually and were scheduled to mature on November 7, 2013. These interim notes payable were repaid in full and terminated in connection with executing the JP Morgan Term Loan A.

The Company's five-year \$430,000 credit facility requires the Company to meet certain financial covenants, which the Company was in compliance with as of December 31, 2014. The facility is secured by all of the Company's assets, excluding the assets attributable to the VIEs (see note 4).

Future annual principal payments of long-term debt as of December 31, 2014 are as follows:

2015	\$ 3,900
2016	3,900
2017	3,900
2018	3,900
2019	3,900
Thereafter	<u>367,575</u>
Total	<u><u>\$ 387,075</u></u>

(11) Derivative instruments and hedging activities

During 2013 the Company entered into interest-rate-related derivative instruments to manage its exposure related to changes in interest rates on its variable-rate debt instruments. The Company does not enter into derivative instruments for any purpose other than cash flow hedging. The Company does not speculate using derivative instruments.

By using derivative financial instruments to hedge exposures to changes in interest rates, the Company exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is an asset, the counterparty owes the Company, which creates credit risk for the Company. When the fair value of a derivative contract is a liability, the Company owes the counterparty and, therefore, the Company is not exposed to the counterparty's credit risk in those circumstances. The Company minimizes counterparty credit risk in derivative instruments by entering into transactions with high-quality counterparties whose credit rating is higher than A1/A+ at the inception of the derivative transaction. The derivative instruments entered into by the Company do not contain credit-risk-related contingent features.

Market risk is the adverse effect on the value of a derivative instrument that results from a change in interest rates. The market risk associated with interest-rate contracts is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

The Company assesses interest rate risk by continually identifying and monitoring changes in interest rate exposures that may adversely impact expected future cash flows and by evaluating hedging opportunities. The Company monitors interest rate risk attributable to both the Company's outstanding or forecasted debt obligations as well as the Company's offsetting hedge positions.

A component of the interest due on the Company's long-term debt is based on the variable London Interbank Offered Rate (LIBOR). The debt obligations expose the Company to variability in interest payments due to changes in interest rates. Management believes that it is prudent to limit the variability of a portion of its interest payments. To meet this objective, in 2013, management entered into LIBOR based interest rate swap agreements to manage fluctuations in cash flows resulting from changes in the benchmark interest rate of LIBOR. These swaps change the variable-rate cash flow exposure on a portion of its debt obligations to fixed-rate cash flows. Under the terms of the interest rate swaps, the Company receives LIBOR based variable interest rate payments and makes fixed interest rate payments, thereby creating the equivalent of fixed-rate debt for the notional amount of its debt hedged. As of December 31, 2013, the total notional amount of the Company's outstanding interest-rate swap agreements that were entered into was \$90,630. The Company's interest rate swaps were terminated in 2014 and the Company recorded a loss of \$248 within interest expense in the consolidated statement of operations.

In September 2014, the Company entered into a series of LIBOR based interest rate cap agreements in exchange for premium payments of \$2.4 million to effectively manage our risk above certain interest rates and mitigate our exposure to changes in interest rates under the term loan. The interest rate caps are for a total notional amount of \$194 million. The term of the interest rate caps began on September 30, 2014 and ends on September 29, 2017. The interest rate cap agreements are designed to cap the LIBOR interest rate into a fixed interest rate if the LIBOR goes above the set cap amounts of 1.5%. The derivative instruments are designated as cash flow hedges, and the effective portion of the change in the fair value of the derivative is recognized as a component of accumulated other comprehensive income (loss) until the underlying item is recognized in earnings or the forecasted transaction is no longer probable of occurring. As of December 31, 2014, the total notional amount of the Company's outstanding interest-rate cap agreements that were entered into to hedge interest rate changes above 1.5% LIBOR was \$194 million.

Changes in the fair value of interest rate swaps and caps designated as hedging instruments that effectively offset the variability of cash flows associated with variable-rate, long-term debt obligations are reported in accumulated other comprehensive income. These amounts subsequently are reclassified into interest expense as a yield adjustment of the hedged interest payments in the same period in which the related interest affects earnings.

There were no derivative instruments in place prior to 2013.

The Company has recorded a reduction to the interest rate cap of \$662 within other assets with a corresponding amount included within accumulated other comprehensive loss as of December 31, 2014. The Company recorded a deferred gain of \$92 within other assets related to its interest rate swaps with a corresponding amount included within accumulated other comprehensive income as of December 31, 2013. These amounts have been measured at fair value and are considered to be a Level 2 fair value measurement.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

As of December 31, 2014, the Company does not expect to reclassify any amounts included in accumulated other comprehensive income into earnings during the next 12 months. Transactions and events expected to occur over the next twelve months that will necessitate reclassifying these derivatives' loss to earnings include the re-pricing of variable-rate debt.

(12) Deferred revenue

The summary set forth below represents the balances in deferred revenue as of December 31:

	2013	2014
Prepaid membership fees	\$ 4,693	\$ 5,382
Enrollment fees	1,603	1,692
Equipment discount	—	2,689
Annual membership fees	4,268	5,696
Area development and franchise fees	8,073	8,420
Total deferred revenue	18,637	23,879
Long-term portion of deferred revenue	7,193	9,330
Current portion of deferred revenue	<u>\$ 11,444</u>	<u>\$ 14,549</u>

Equipment deposits received in advance of assembly and customer acceptance as of December 31, 2013 and 2014 were \$2,647 and \$6,675, respectively.

(13) Related party transactions

Amounts due from members as of December 31, 2013 and 2014 relate to reimbursements for taxes owed and paid by the Company on their behalf.

	2013	2014
Accounts receivable—related entities	\$ 7	\$ 11
Accounts receivable—members	1,325	1,130
	1,332	1,141
Due from related parties, current portion	1,332	1,141
Due from related parties, net of current portion	<u>\$ —</u>	<u>\$ —</u>

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

Activity with entities considered to be related parties is summarized below.

	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	(Predecessor)		(Successor)	
Franchise revenue	\$ 1,783	\$ 23	\$ 1,620	\$ 733
Equipment revenue	2,988	—	855	3,711
Total revenue from related parties	<u>\$ 4,771</u>	<u>\$ 23</u>	<u>\$ 2,475</u>	<u>\$ 4,444</u>

During the period from January 1, 2012 to November 7, 2012 (Predecessor), the Company earned interest income of \$326 on notes receivable from related parties. The Company has not earned interest income on notes receivable from related parties after the period ended November 7, 2012. All funds advanced to these entities were used to assist in financing of the respective operations. In addition, the Company guarantees certain operating leases and debt agreements of these entities (see note 17).

The Company paid management fees to TSG totaling \$147 during the period from November 8, 2012 to December 31, 2012 (Successor), and totaling \$1,136 and \$1,211 during the years ended December 31, 2013 and 2014 (Successor), respectively.

(14) Income taxes

The provision (benefit) for income taxes consists of the following:

	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	(Predecessor)		(Successor)	
Current:				
State	\$ 681	\$ 157	\$ 2,063	\$ 1,078
Foreign	—	—	—	168
Total current tax expense	<u>681</u>	<u>157</u>	<u>2,063</u>	<u>1,246</u>
Deferred:				
State	(25)	(101)	(1,430)	217
Foreign	—	—	—	(280)
Total deferred tax (benefit) expense	<u>(25)</u>	<u>(101)</u>	<u>(1,430)</u>	<u>(63)</u>
Provision for income taxes	<u>\$ 656</u>	<u>\$ 56</u>	<u>\$ 633</u>	<u>\$ 1,183</u>

The Company's effective tax rate during all periods presented is significantly lower than the U.S. federal statutory tax rate of 35% due to its election to be treated as a pass-through entity for U.S. federal income taxes and for most state income taxes. Net deferred tax liabilities of \$406 and \$343 as of December 31, 2013 and

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

2014, respectively, relate primarily to the tax effects of temporary differences for acquired intangible assets. Deferred tax assets as of December 31, 2013 and 2014 are immaterial and included in other assets in the accompanying consolidated balance sheets. The Company has net operating loss carryforwards related to its Canada operations of approximately \$280, which begin to expire in 2034. It is more likely than not that the results of future operations will generate sufficient taxable income to realize the deferred tax assets.

As of December 31, 2013 and 2014, the total liability related to uncertain tax positions is \$300. The Company recognizes interest accrued and penalties, if applicable, related to unrecognized tax benefits in income tax expense. Interest and penalties for the period from January 1, 2012 to November 7, 2012 (Predecessor), the period from November 8, 2012 to December 31, 2012 (Successor) and for the years ended December 31, 2013 and 2014 were not material.

The Company's open years for income tax examination purposes are 2011 through 2013.

(15) Members' equity

Each of the Company's limited liability company (LLC) subsidiaries and VIEs operate like a partnership, and therefore, profits and losses are allocated on a basis defined in the LLC agreement. The LLCs make capital distributions of cash available on the basis defined in the LLC agreement. Thereafter, distributions are made according to each partner's or member's interests in the LLC. As of December 31, 2014, all of the priority distribution payments, per the agreement of all of the partners of the LLC, have been made.

(16) Equity-based compensation plan

In 2013, the Company's Board of Directors adopted the 2013 Equity Incentive Plan (the "Plan"). Under the Plan, the Company has granted awards in the form of Class M Units to employees and directors of the Company and its subsidiaries. A maximum of 526,316 Class M Units may be granted under the Plan. Awards under the Plan are granted on a discretionary basis and are subject to the approval of the Company's Board of Directors. The Class M Units receive distributions (other than tax distributions) only upon a liquidity event, as defined, that exceeds a threshold equivalent to the fair value of the Company, as determined by the Company's Board of Directors, at the grant date. Eighty percent of the awards vest over five years of continuous employment or service while the other twenty percent only vest in the event of an initial public offering of the Company's common stock or that of its parent or one of its subsidiaries, subject to the holder of the Class M Units remaining employed or providing services on the date of such initial public offering. All awards include a repurchase option at the election of the Company for the vested portion upon termination of employment or service. The Class M Units provide for accelerated vesting if there is a Company Sale (as defined in the Company's LLC agreement), subject to the holder of the Class M Units remaining employed or providing services on the date of such transaction. The Plan and all awards granted under it will terminate on the tenth anniversary of the date the Plan was adopted by the Company's Board of Directors. These awards are accounted for as equity at their fair value as of the grant date; however, no expense has been recorded since distributions in respect of the Class M Units (other than tax distributions) are contingent upon a liquidity event.

The fair value of each award was estimated on the date of grant using a Monte Carlo simulation model.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

The weighted average assumptions for the grants are provided in the following table. Since the Company's shares are not publicly traded, expected volatility is estimated based on the average historical volatility of similar entities with publicly traded shares. The term is based on the estimated time to a liquidity event. The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve at the date of grant.

Valuation assumptions:

	Year ended December 31, 2013	Year ended December 31, 2014
Expected dividend yield	—%	—%
Expected volatility	39.4%	36.8%
Expected term (in years)	3.7	1.7
Risk-free interest rate	0.8%	0.4%

A summary of Class M Unit activity is presented below:

	Time and liquidity event based	Liquidity event based	Total units	Weighted average grant date fair value
Outstanding at January 1, 2013	—	—	—	\$ —
Units granted	345.262	86.315	431.577	\$ 10,047
Outstanding at December 31, 2013	345.262	86.315	431.577	\$ 10,047
Units granted	96.841	24.210	121.051	\$ 5,993
Units forfeited	(37.895)	(9.473)	(47.368)	\$ 6,148
Outstanding at December 31, 2014	404.208	101.052	505.260	\$ 9,436
Vested at December 31, 2014	93.473	—	93.473	\$ 10,206

The weighted average grant-date fair value of the Class M Units vested during the years ended December 31, 2013 and 2014 was \$10,656 and \$10,047 respectively. During the years ended December 31, 2013 and 2014, 24.421 and 69.052 units vested, respectively, but were not yet exercisable due to the fact that exercisability is contingent on a liquidity event. No distributions were paid under these awards in 2013 or 2014 and no awards were forfeited in 2013. At December 31, 2014, there was \$4,767 of total unrecognized compensation cost related to all awards granted under this Plan. The timing of recognition of this amount will depend on if and when a liquidity event should occur.

(17) Commitments and contingencies

(a) Capital lease commitments

The Company is obligated under a number of lease agreements for equipment. Certain of these leases have been determined to be capital leases and the assets and liabilities have been recorded at the lesser of the present value of the minimum lease payments or the fair value of the assets. Depreciation of the assets held under capital leases is included in depreciation expense.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

Following is the property and equipment under capital lease commitments by major class as of December 31:

	2013	2014
Property class:		
Equipment	\$ 4,774	\$ 4,774
Leasehold improvements	1,542	1,542
Less accumulated depreciation	<u>(2,161)</u>	<u>(3,756)</u>
	<u>\$ 4,155</u>	<u>\$ 2,560</u>

Approximate future annual minimum gross lease payments due under capital leases are as follows:

2015	\$ 390
2016	<u>47</u>
Total gross lease payments	437
Less interest included in payments	<u>(16)</u>
Net future annual lease payments due under capital leases	421
Less current portion	<u>376</u>
Long-term portion	<u>\$ 45</u>

(b) Operating lease commitments

The Company rents equipment, office, and warehouse space at various locations in the United States and Canada under noncancelable operating leases. Rental expense was \$7,848, \$1,904, \$13,830 and \$16,980 for the period from January 1, 2012 to November 7, 2012 (Predecessor), the period from November 8, 2012 to December 31, 2012 (Successor) and for the years ended December 31, 2013 and 2014 (Successor), respectively. Approximate annual future commitments under noncancelable operating leases as of December 31, 2014 are as follows:

2015	\$ 13,147
2016	13,350
2017	12,955
2018	12,137
2019	10,748
Thereafter	<u>56,532</u>
Total minimum lease payments	<u>\$ 118,869</u>

(c) Guarantees

On October 7, 2008, the Company entered into an agreement with Main Street Bank (MSB), a Texas banking association, for all franchisees seeking financing to acquire equipment and other property. This agreement provides financing to all qualified franchisees for up to \$40,000 (as defined in the agreement). The maximum length for any one loan is 72 months.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

The Company earns a commission from MSB of up to 1.5% of the total funded leases provided to the franchisees, including origination fees. The Company has not earned any fees or commissions from MSB during any of the periods presented.

At inception, the Company was obligated to MSB in an initial aggregate amount of up to \$4,000 for leases subject to a subsequent default, which declines over the term of the agreement, as defined, provided that there has been no breach by the Company of its material representations, warranties, or covenants under the agreement. The Company's maximum potential obligation as of December 31, 2014 was approximately \$137. The Company has determined the fair value of these guarantees at inception is not material and no accrual is recorded as of December 31, 2013 or 2014.

The Company has also guaranteed certain other leases and debt agreements of entities related through common ownership. These guarantees relate to leases for operating space, equipment, and other operating costs of franchises operated by the related entities. The Company's maximum total commitment under these agreements is approximately \$2,759 and would only require payment upon default by the primary obligor. The Company has determined the fair value of these guarantees at inception is not material, and as of December 31, 2013 and 2014, no accrual has been recorded for the Company's potential obligation under its guaranty arrangement.

(d) Legal matters

From time to time, and in the ordinary course of business, the Company is subject to various claims, charges, and litigation, such as employment-related claims and slip and fall cases. The Company is not currently aware of any legal proceedings or claims that the Company believes will have, individually or in the aggregate, a material adverse effect on the Company's financial position or result of operations.

(e) Purchase commitments

As of December 31, 2014, the Company had advertising purchase commitments of approximately \$8,182, including commitments made by the NAF. In addition the Company had open purchase orders of approximately \$17,371 primarily related to equipment to be sold to franchisees.

(f) Performance incentive plan

During 2013, the Company adopted the 2013 Performance Incentive Plan, which calls for pre-determined bonus amounts totaling \$311 to be paid to employees of the Company upon a future liquidity event of the Company, including an initial public offering, that exceeds a pre-determined threshold. Given the uncertainty of the underlying event, no compensation expense has been recorded in 2013 or 2014 related to this Plan. The bonuses would be recorded in the period in which the liquidity event occurs.

(18) Retirement plan

The Company maintains a 401(k) deferred tax savings plan (the Plan) for eligible employees. The Plan provides for the Company to make an employer matching contribution currently equal to 100% of employee deferrals up to a maximum of 4% of each eligible participating employees' wages. Total employer matching contributions expensed in the consolidated statements of operations were approximately \$73, \$18, \$214, and \$211 for the period from January 1, 2012 to November 7, 2012 (Predecessor), the period from November 8, 2012 to December 31, 2012 (Successor) and for the years ended December 31, 2013 and 2014 (Successor), respectively.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

(19) Segments

The Company has three reportable segments: (i) Franchise; (ii) Corporate-owned stores; and (iii) Equipment.

The Company's operations are organized and managed by type of products and services and segment information is reported accordingly. The Company's chief operating decision maker (the "CODM") is its Chief Executive Officer. The CODM reviews financial performance and allocates resources by reportable segment. There have been no operating segments aggregated to arrive at the Company's reportable segments.

The Franchise segment includes operations related to the Company's franchising business in the United States, Puerto Rico, and Canada. The Corporate-owned stores segment includes operations with respect to all Corporate-owned stores throughout the United States and Canada. The Equipment segment includes the sale of equipment to franchisee-owned stores.

The accounting policies of the reportable segments are the same as those described in note 2. The Company evaluates the performance of its segments and allocates resources to them based on revenue and earnings before interest, taxes, depreciation, and amortization, referred to as Segment EBITDA. Revenues for all operating segments include only transactions with unaffiliated customers and include no intersegment revenues. No individual customer accounted for more than 10% of total revenues by segment or in total for any periods presented.

The tables below summarize the financial information for the Company's reportable segments for the period from January 1, 2012 through November 7, 2012 (Predecessor), the period from November 8, 2012 through December 31, 2012 (Successor), and the years ended December 31, 2013 and 2014 (Successor). The "Corporate and other" column as it relates to Segment EBITDA primarily includes corporate overhead costs, such as payroll and related benefit costs and professional services which are not directly attributable to any individual segment.

	Period from January 1, 2012 through November 7, 2012	Revenue		
		Period from November 8, 2012 through December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	(Predecessor)	(Successor)		
Franchise segment	\$ 28,478	\$ 6,257	\$ 44,157	\$ 71,806
Corporate-owned stores segment	40,360	8,822	67,364	85,041
Equipment segment	49,062	26,708	99,488	122,930
Total	<u>\$ 117,900</u>	<u>\$ 41,787</u>	<u>\$ 211,009</u>	<u>\$ 279,777</u>

Franchise segment revenue includes franchise revenue and commission income.

Franchise revenue includes \$117, \$26, \$201, and \$351 generated from franchisee-owned stores in Puerto Rico for the period from January 1, 2012 through November 7, 2012 (Predecessor), the period from November 8, 2012 through December 31, 2012 (Successor), and the years ended December 31, 2013 and 2014 (Successor). The Company's Canadian corporate-owned stores generated \$19 in revenue for the year ended December 31, 2014. Equipment revenue includes \$638, \$0, \$1,327, and \$1,128 related to equipment sold to franchisee-owned stores in Puerto Rico for the period from January 1, 2012 through November 7, 2012 (Predecessor), the period

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

from November 8, 2012 through December 31, 2012 (Successor), and the years ended December 31, 2013 and 2014 (Successor). All other revenue for all periods presented was generated from corporate-owned and franchisee-owned stores within the United States. Franchise revenue includes \$3,629, \$1,312, \$6,315, and \$8,450 generated from placement services for the period from January 1, 2012 through November 7, 2012 (Predecessor), the period from November 8, 2012 through December 31, 2012 (Successor), and the years ended December 31, 2013 and 2014 (Successor).

Segment EBITDA				
	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	(Predecessor)	(Successor)		
Franchise	\$ 17,793	\$ 4,934	\$ 30,123	\$ 53,109
Corporate-owned stores	11,585	2,194	21,742	31,705
Equipment	6,713	5,312	19,791	26,447
Corporate and other	(5,161)	(841)	(7,504)	(18,642)
Total	<u>\$ 30,930</u>	<u>\$ 11,599</u>	<u>\$ 64,152</u>	<u>\$ 92,619</u>

The following table reconciles total Segment EBITDA to income before taxes:

	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	(Predecessor)	(Successor)		
Total Segment EBITDA	\$ 30,930	\$ 11,599	\$ 64,152	\$ 92,619
Less: Depreciation and amortization	5,676	6,959	28,808	32,341
Less: Other income (expense)	29	(125)	(694)	(1,261)
Income from operations	25,225	4,765	36,038	61,539
Interest expense, net	(1,352)	(2,430)	(8,912)	(21,800)
Other income (expense)	29	(125)	(694)	(1,261)
Income before income taxes	<u>\$ 23,902</u>	<u>\$ 2,210</u>	<u>\$ 26,432</u>	<u>\$ 38,478</u>

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

The following table summarizes the Company's assets by reportable segment:

	2013	2014
Franchise	\$ 193,997	\$ 183,964
Corporate-owned stores	144,315	161,183
Equipment	215,670	250,578
Unallocated	<u>8,114</u>	<u>13,551</u>
Total consolidated assets	<u><u>\$ 562,096</u></u>	<u><u>\$ 609,276</u></u>

The table above includes \$2,011 of long-lived assets located in the Company's corporate-owned stores in Canada as of December 31, 2014. The Company had no assets outside the United States prior to 2014.

(20) Corporate-owned and franchisee-owned stores

The following table shows changes in our corporate-owned and franchisee-owned stores for the period from January 1, 2012 to November 7, 2012 (Predecessor), the period from November 8, 2012 to December 31, 2012 (Successor), and for the years ended December 31, 2013 and 2014 (Successor):

	Period from January 1, 2012 through November 7, 2012	Period from November 8, 2012 through November 7, 2012	Years ended December 31,	
			2013	2014
	(Predecessor)	(Successor)		
Franchisee-owned stores:				
Stores operated at beginning of period	457	526	562	704
New stores opened	82	36	148	169
Stores acquired from corporate	3	—	—	—
Stores debranded, sold or consolidated	<u>(16)</u>	<u>—</u>	<u>(6)</u>	<u>(10)</u>
Stores operated at end of period	<u>526</u>	<u>562</u>	<u>704</u>	<u>863</u>
Corporate-owned stores:				
Stores operated at beginning of period	31	44	44	45
New stores opened	—	—	1	2
Stores acquired from franchisees	16	—	—	8
Stores sold	<u>(3)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Stores operated at end of period	<u>44</u>	<u>44</u>	<u>45</u>	<u>55</u>
Total stores:				
Stores operated at beginning of period	488	570	606	749

period				
New stores opened	82	36	149	171
Stores debranded, sold or consolidated	<u>—</u>	<u>—</u>	<u>(6)</u>	<u>(2)</u>
Stores operated at end of period	<u><u>570</u></u>	<u><u>606</u></u>	<u><u>749</u></u>	<u><u>918</u></u>

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

(21) Pro forma financial information (unaudited)

Unaudited pro forma financial information has been presented to disclose the pro forma income tax expense and net income attributable to Planet Fitness, Inc., the registrant in the accompanying Registration Statement on Form S-1 (Form S-1) to register shares of Class A common stock of Planet Fitness, Inc. The unaudited pro forma financial information reflects an adjustment to the provision for income taxes to reflect an effective tax rate of %, which was calculated using the U.S. federal income tax rate and the highest statutory rates applied to income apportioned to each state and local jurisdiction. This tax rate has been applied to the % portion of income before taxes that represents the economic interest in Pla-Fit Holdings, LLC that will be held by Planet Fitness Inc. upon completion of the Merger and Reclassification disclosed in the Form S-1, but before application of the proceeds of the offering. In addition, pro forma provision for income taxes includes the historical provision for income taxes of \$ related to Pla-Fit Holdings, LLC. The sum of these amounts represents total pro forma provision for income taxes of \$.

The unaudited pro forma financial information also reflects the effects of the Merger and Reclassification on the allocation of pro forma net income between noncontrolling interests and Planet Fitness, Inc. After the Merger and Reclassification, but prior to the completion of the offering, the noncontrolling interests of Planet Fitness, Inc. held by the continuing owners of Pla-Fit Holdings, LLC will have a % economic ownership of Pla-Fit Holdings, LLC, and as such, % of pro forma net income will be attributable to the noncontrolling interests.

Unaudited pro forma net income per share has been computed to give effect to the number of shares whose proceeds would be necessary to pay the distributions to members totaling \$173,900 during the year ended December 31, 2014 and \$140,000 during the three months ended March 31, 2015 as if such distributions occurred on January 1, 2014, to the extent they are in excess of the pro forma net income of \$ attributable to Planet Fitness, Inc. for the year ended December 31, 2014. The pro forma unaudited net income per share has been prepared using pro forma net income, as set forth above, which reflects the pro forma effects on provision for income taxes and the allocation of pro forma net income between noncontrolling interests and Planet Fitness, Inc., resulting from the Merger and Reclassification, but before application of the proceeds of the offering. In addition, pro forma weighted average shares outstanding includes Class A common stock of Planet Fitness, Inc. that will be outstanding after the Merger and Reclassification, but before the offering, as well as shares issued in the offering whose proceeds would be necessary to pay the distributions to members as set forth above.

Pla-Fit Holdings, LLC and subsidiaries

Notes to consolidated financial statements

(Amounts in thousands, except unit and per unit amounts)

The supplemental pro forma information has been computed, assuming an initial public offering price of \$ _____ per share, the midpoint in the estimated price range set forth on the cover of the prospectus included in the Company's Form S-1 Registration Statement. The computations assume there will be no exercise by the underwriters of their option to purchase additional shares of Class A common stock.

	Year ended December 31, 2014
Pro forma net income attributable to Planet Fitness, Inc.—basic and diluted	\$ _____
Pro forma weighted average shares of Class A common stock—basic and diluted	
Weighted average shares outstanding during the period	
Shares issued in the offering necessary to pay member distributions	_____
Pro forma weighted average shares of Class A common stock	_____
Pro forma net income per share—basic and diluted	\$ _____

(22) Subsequent events

The Company has evaluated events that have occurred subsequent to December 31, 2014 through March 25, 2015, the date these consolidated financial statements were available to be issued.

Pla-Fit Holdings, LLC and subsidiaries
Condensed consolidated balance sheets
(Unaudited)
(Amounts in thousands)

	December 31, 2014	March 31, 2015 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 43,291	\$ 27,532
Accounts receivable, net of allowance for bad debts of \$399 and \$388 at December 31, 2014 and March 31, 2015, respectively	19,275	9,444
Due from related parties, current	1,141	1,139
Inventory	3,012	2,011
Restricted assets—NAF (note 5)	—	364
Other current assets	8,599	7,857
Total current assets	75,318	48,347
Property and equipment, net	49,579	51,587
Intangible assets, net	295,162	289,779
Goodwill	176,981	176,981
Other assets, net	12,236	12,873
Total assets	<u>\$ 609,276</u>	<u>\$ 579,567</u>
Liabilities and Equity		
Current liabilities:		
Current maturities of long-term debt	\$ 3,900	\$ 5,100
Accounts payable	26,738	10,515
Member distribution payable	—	7,496
Accrued expenses	8,494	7,580
Current maturities of obligations under capital leases	376	249
Equipment deposits	6,675	6,445
Restricted liabilities—NAF (note 5)	—	364
Deferred revenue, current	14,549	13,634
Other current liabilities	153	129
Total current liabilities	60,885	51,512
Long-term debt, net of current maturities	383,175	501,000
Obligations under capital leases, net of current portion	45	34
Deferred rent, net of current portion	3,012	4,035
Deferred revenue, net of current portion	9,330	9,443
Deferred tax liabilities—non current	606	638
Other liabilities	474	480
Total noncurrent liabilities	396,642	515,630
Commitments and contingencies (note 13)		
Equity:		
Members' equity	146,156	7,397
Accumulated other comprehensive loss	(636)	(1,314)
Total equity attributable to Pla-Fit Holdings, LLC	145,520	6,083
Noncontrolling interests in variable interest entities	6,229	6,342
Total equity	<u>151,749</u>	<u>12,425</u>

Total liabilities and equity	\$ 609,276	\$ 579,567

See accompanying notes to condensed consolidated financial statements.

Pla-Fit Holdings, LLC and subsidiaries

Condensed consolidated statements of operations

(Unaudited)
(Amounts in thousands)

	Quarter ended March 31,	
	2014	2015
Revenue:		
Franchise	\$ 12,461	\$ 16,967
Commission income	4,039	4,790
Corporate-owned stores	17,703	23,546
Equipment	23,391	31,619
Total revenue	57,594	76,922
Operating costs and expenses:		
Cost of revenue	19,225	25,946
Store operations	10,382	14,341
Selling, general and administrative	6,620	14,138
Depreciation and amortization	6,536	8,201
Other loss (gain)	1,293	(6)
Total operating costs and expenses	44,056	62,620
Income from operations	13,538	14,302
Other income (expense), net:		
Interest income	80	173
Interest expense	(6,642)	(4,929)
Other expense	(379)	(736)
Total other expense, net	(6,941)	(5,492)
Income before taxes	6,597	8,810
Provision for income taxes	338	272
Net income	6,259	8,538
Less net income attributable to noncontrolling interests	209	113
Net income attributable to Pla-Fit Holdings, LLC	<u>\$ 6,050</u>	<u>\$ 8,425</u>
Pro forma financial information (note 16)		
Historical income before taxes		\$
Pro forma provision for income taxes		
Pro forma net income		
Pro forma net income attributable to noncontrolling interests		
Pro forma net income attributable to the Company		<u>\$</u>
Pro forma net income per share information (note 16)		
Pro forma net income per share of Class A common stock		
Basic		\$
Diluted		\$
Pro forma weighted average shares of Class A common stock outstanding		
Basic		
Diluted		

See accompanying notes to condensed consolidated financial statements.

Pla-Fit Holdings, LLC and subsidiaries

Condensed consolidated statements of comprehensive income

(Unaudited)
(Amounts in thousands)

	Quarter ended March 31,	
	2014	2015
Net income including noncontrolling interests	\$ 6,259	\$ 8,538
Other comprehensive income (loss), net:		
Loss on interest rate swaps	(92)	—
Unrealized loss on interest rate cap	—	(779)
Foreign currency translation adjustments	—	101
Total other comprehensive loss	(92)	(678)
Total comprehensive income including noncontrolling interests	6,167	7,860
Less: total comprehensive income attributable to noncontrolling interests	209	113
Total comprehensive income attributable to Pla-Fit Holdings, LLC	<u>\$ 5,958</u>	<u>\$ 7,747</u>

See accompanying notes to condensed consolidated financial statements.

Pla-Fit Holdings, LLC and subsidiaries

Condensed consolidated statements of cash flows

(Unaudited)
(Amounts in thousands)

	Quarter ended March 31,	
	2014	2015
Cash flows from operating activities:		
Net income	\$ 6,259	\$ 8,538
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,535	8,201
Amortization of deferred financing costs	380	305
Amortization of favorable leases and asset retirement obligations	62	113
Deferred tax benefit	2	7
Provision for bad debts	—	11
Gain on disposal of property and equipment	—	(6)
Unrealized loss on interest rate swaps	(59)	—
Loss on extinguishment of debt	4,697	—
Changes in operating assets and liabilities, excluding effects of acquisitions and dispositions:		
State income taxes	214	290
Accounts receivable	5,675	9,792
Notes receivable and due from related parties	120	50
Inventory	4	1,001
Other assets and other current assets	(106)	422
Accounts payable and accrued expenses	(15,190)	(16,745)
Other liabilities and other current liabilities	(246)	15
Equipment deposits	1,286	(230)
Deferred revenue	(1,755)	(717)
Deferred rent	301	992
Net cash provided by operating activities	8,179	12,039
Cash flows from investing activities:		
Additions to property and equipment	(823)	(5,326)
Acquisition of franchises	(38,638)	—
Proceeds from sale of property and equipment	—	6
Net cash used in investing activities	(39,461)	(5,320)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	390,000	120,000
Principal payments on capital lease obligations	(523)	(140)
Repayment of long-term debt	(182,875)	(975)
Payment of deferred financing and other debt-related costs	(7,785)	(1,698)
Distributions to members	(183,835)	(139,688)
Net cash provided by (used in) by financing activities	14,982	(22,501)
Effects of exchange rate changes on cash and cash equivalents	6	23
Net decrease in cash and cash equivalents	(16,294)	(15,759)
Cash and cash equivalents, beginning of period	31,267	43,291
Cash and cash equivalents, end of period	\$ 14,973	\$ 27,532
Supplemental cash flow information:		
Net cash paid for income taxes	\$ 125	\$ 211
Cash paid for interest	\$ 2,367	\$ 4,614
Non-cash investing activities:		
Non-cash consideration for acquisition of franchises	\$ 3,000	\$ —
Non-cash additions to property and equipment	\$ —	\$ 384
Non-cash financing activities:		
Unsettled distributions to members	\$ —	\$ 7,496

See accompanying notes to condensed consolidated financial statements.

Pla-Fit Holdings, LLC and subsidiaries
Condensed consolidated statement of changes in equity
(Unaudited)
(Amounts in thousands)

	Members' equity	Accumulated other comprehensive loss	Noncontrolling interests in variable interest entities	Total equity
Balance at December 31, 2014	\$ 146,156	\$ (636)	\$ 6,229	\$ 151,749
Net income	8,425	—	113	8,538
Other comprehensive loss	—	(678)	—	(678)
Distributions to members	(147,184)	—	—	(147,184)
Balance at March 31, 2015	<u>\$ 7,397</u>	<u>\$ (1,314)</u>	<u>\$ 6,342</u>	<u>\$ 12,425</u>

See accompanying notes to condensed consolidated financial statements.

Pla-Fit Holdings, LLC and subsidiaries

Notes to condensed consolidated financial statements

(unaudited)
(Amounts in thousands, except unit and per unit amounts)

(1) Business organization

Pla-Fit Holdings, LLC (the Company) is a franchisor and operator of fitness centers, with more than 7.1 million members and 976 owned and franchised locations (referred to as stores) in 47 states, Puerto Rico and Canada as of March 31, 2015.

The Company serves as the reporting entity for various subsidiaries that operate three distinct lines of business:

- Licensing and selling franchises under the Planet Fitness trade name.
- Owning and operating fitness centers under the Planet Fitness trade name.
- Selling fitness-related equipment to franchisee-owned stores.

The results of the Company have been consolidated with Matthew Michael Realty LLC (MMR) and PF Melville LLC (PF Melville) based on the determination that the Company is the primary beneficiary with respect to these variable interest entities (VIEs). These entities are real estate holding companies that derive a majority of their financial support from the Company through lease agreements.

(2) Summary of significant accounting policies

(a) Basis of presentation and consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, these interim financial statements do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the results of operations, financial position and cash flows for the periods presented have been reflected. All significant intercompany balances and transactions have been eliminated in consolidation.

The condensed consolidated financial statements as of and for the quarters ended March 31, 2014 and 2015 are unaudited. The condensed consolidated balance sheet as of December 31, 2014 has been derived from the audited financial statements at that date but does not include all of the disclosures required by U.S. GAAP. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements as of and for the year ended December 31, 2014 and related notes thereto included elsewhere in this prospectus. Operating results for the interim periods are not necessarily indicative of the results that may be expected for the full year.

The Company also consolidates entities in which it has a controlling financial interest, the usual condition of which is ownership of a majority voting interest. The Company also considers for consolidation certain interests where the controlling financial interest may be achieved through arrangements that do not involve voting interests. Such an entity, known as a VIE, is required to be consolidated by its primary beneficiary. The primary beneficiary of a VIE is considered to possess the power to direct the activities of the VIE that most significantly impact its economic performance and has the obligation to absorb losses or the rights to receive benefits from the VIE that are significant to it. The principal entities in which the Company possesses a variable interest include franchise entities and certain other entities. The Company is not deemed to be the primary beneficiary for Planet Fitness franchise entities. Therefore, these entities are not consolidated.

Pla-Fit Holdings, LLC and subsidiaries

Notes to condensed consolidated financial statements

(unaudited)
(Amounts in thousands, except unit and per unit amounts)

(b) Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results. Significant areas where estimates and judgments are relied upon by management in the preparation of the consolidated financial statements include revenue recognition, valuation of assets and liabilities in connection with acquisitions, valuation of equity based compensation awards, and the evaluation of the recoverability of goodwill and long-lived assets, including intangible assets.

(c) Fair Value

The table below presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2014 and March 31, 2015:

	Total fair value at December 31, 2014	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Interest rate caps	\$ 1,711	\$ —	\$ 1,711	\$ —

	Total fair value at March 31, 2015	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Interest rate caps	\$ 932	\$ —	\$ 932	\$ —

(d) Equity-based compensation

The Company has granted equity awards to employees in the form of Class M Units. There were no grants, exercises or forfeitures of Class M Units during the three months ended March 31, 2015. During the three months ended March 31, 2015, the Company modified the vesting terms of 10.737 outstanding Class M Units such that those units are fully vested and eligible to receive distributions following a liquidity event. There were no other changes in awards during the three months ended March 31, 2015. As a result, the total vested awards outstanding at March 31, 2015 was 101.052. The amount of total unrecognized compensation cost related to all awards under this plan was \$5,591 as of March 31, 2015.

(e) Recent accounting pronouncements

The FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs* in April 2015. This guidance requires reporting entities present debt issuance costs as a direct deduction from the carrying amount of the related debt liability. The guidance is effective for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity must apply this guidance retrospectively to all prior periods presented in the financial statements. The Company expects the only impact of the adoption of this guidance to be on balance sheet presentation.

Pla-Fit Holdings, LLC and subsidiaries

Notes to condensed consolidated financial statements

(unaudited)
(Amounts in thousands, except unit and per unit amounts)

(3) Variable interest entities

The carrying values of VIEs included in the consolidated financial statements as of December 31, 2014 and March 31, 2015 are as follows:

	December 31, 2014		March 31, 2015	
	Assets	Liabilities	Assets	Liabilities
PF Melville	\$ 3,479	\$ —	\$ 3,542	\$ —
MMR	2,750	—	2,800	—
Total	\$ 6,229	\$ —	\$ 6,342	\$ —

(4) Acquisition

On March 31, 2014, the Company purchased certain assets from one of its franchisees, including eight franchisee-owned stores in New York, for consideration of \$42,931, including a cash payment of \$39,931 and a \$3,000 discount to be applied to future equipment purchases. The \$3,000 equipment discount has been recorded as deferred revenue by the Company and is being recognized as future equipment sales are made by the Company to the franchisee. In addition, as a result of the transaction, the Company incurred a loss on unfavorable reacquired franchise rights of \$1,293, which has been reflected in other operating costs in the statement of operations. The loss incurred reduced the net purchase price to \$41,638. The Company financed the purchase through its credit facility. The purchase consideration was allocated as follows:

Fixed assets	\$ 7,634
Reacquired franchise rights	8,950
Membership relationships	5,882
Favorable leases, net	700
Other assets	35
Goodwill	19,771
Liabilities assumed, including deferred revenues	(1,334)
Total	\$ 41,638

(5) National advertising fund

The Company consolidates and reports all assets and liabilities held by Planet Fitness NAF, LLC (NAF). Amounts received by NAF are reported as restricted assets and restricted liabilities within current assets and current liabilities on the condensed consolidated balance sheets. The Company provides administrative services to NAF and charges NAF a fee for providing those services. These services include accounting services, information technology, data processing, product development, legal and administrative support, and other operating expenses, which amounted to \$277 and \$329 for the quarters ending March 31, 2014 and 2015 respectively. The fees paid to the Company by NAF are included in the condensed consolidated statements of operations as a reduction in general and administrative expense, where the expense incurred by the Company was initially recorded.

Pla-Fit Holdings, LLC and subsidiaries

Notes to condensed consolidated financial statements

(unaudited)

(Amounts in thousands, except unit and per unit amounts)

(6) Property and equipment

Property and equipment as of December 31, 2014 and March 31, 2015 consists of the following:

	December 31, 2014	March 31, 2015
Land	\$ 910	\$ 910
Equipment	22,137	23,635
Leasehold improvements	27,361	31,405
Buildings and improvements	5,119	5,119
Vehicles	155	155
Other	4,250	4,629
Construction in progress	5,375	4,393
	65,307	70,246
Accumulated depreciation	(15,728)	(18,659)
Total	<u>\$ 49,579</u>	<u>\$ 51,587</u>

The Company recorded depreciation expense of \$1,617 and \$2,931 for the quarters ended March 31, 2014 and 2015, respectively.

(7) Goodwill and intangible assets

The Company determined that no impairment charges were required during any periods presented.

A summary of goodwill and intangible assets at December 31, 2014 and March 31, 2015 is as follows:

	Weighted average amortization period (years)	Gross carrying amount	Accumulated amortization	Net carrying amount
December 31, 2014				
Customer relationships	11.1	\$ 171,782	\$ (41,130)	\$ 130,652
Noncompete agreements	5.0	14,500	(6,229)	8,271
Favorable leases	7.5	2,935	(779)	2,156
Order backlog	0.4	3,400	(3,400)	—
Reacquired franchise rights	5.8	8,950	(1,167)	7,783
		201,567	(52,705)	148,862
Indefinite-lived intangible:				
Trade and brand names	N/A	146,300	—	146,300
Total intangible assets		<u>\$ 347,867</u>	<u>\$ (52,705)</u>	<u>\$ 295,162</u>
Goodwill		<u>\$ 176,981</u>	<u>\$ —</u>	<u>\$ 176,981</u>

Pla-Fit Holdings, LLC and subsidiaries

Notes to condensed consolidated financial statements

(unaudited)

(Amounts in thousands, except unit and per unit amounts)

	Weighted average amortization period (years)	Gross carrying amount	Accumulated amortization	Net carrying amount
March, 31 2015				
Customer relationships	11.1	\$ 171,782	\$ (45,286)	\$ 126,496
Noncompete agreements	5.0	14,500	(6,954)	7,546
Favorable leases	7.5	2,935	(892)	2,043
Order backlog	0.4	3,400	(3,400)	—
Reacquired franchise rights	5.8	8,950	(1,556)	7,394
		201,567	(58,088)	143,479
Indefinite-lived intangible:				
Trade and brand names	N/A	146,300	—	146,300
Total intangible assets		\$ 347,867	\$ (58,088)	\$ 289,779
Goodwill		\$ 176,981	\$ —	\$ 176,981

(8) Long-term debt

Long-term debt as of December 31, 2014 and March 31, 2015 consists of the following:

	December 31, 2014	March 31, 2015
Pla-Fit Holdings:		
Term loan B requires quarterly installments plus interest through the term of the loan, maturing March 31, 2021. Outstanding borrowings bear interest at LIBOR or base rate (as defined) plus a margin at the election of the borrower (4.75% at December 31, 2014 and March 31, 2015)	\$ 387,075	\$ 506,100
Revolving credit line, requires interest only payments through the term of the loan, maturing March 31, 2019. Outstanding borrowings bear interest at LIBOR or base rate (as defined) plus a margin at the election of the borrower (4.25% at December 31, 2014 and March 31, 2015)	—	—
Total debt	387,075	506,100
Current portion of long-term debt and line of credit	3,900	5,100
Long-term debt, net of current portion	\$ 383,175	\$ 501,000

On March 31, 2014, the Company entered into a five-year \$430,000 credit facility with a consortium of banks and lenders to refinance its existing indebtedness, as well as to provide funds for working capital, capital expenditures, acquisitions, and general corporate purposes. The facility consists of a \$390,000 Term Loan and a \$40,000 Revolving Credit Facility. On March 31, 2015, the Company amended this credit facility to increase the Term Loan to \$510,000. The unused portion of the Revolving Credit Facility as of March 31, 2015 was \$40,000. The Term Loan calls for quarterly principal installment payments of \$1,275 through March 2021. Capitalized debt issuance costs associated with the outstanding term loan and revolving credit line totaled

Pla-Fit Holdings, LLC and subsidiaries
Notes to condensed consolidated financial statements
(unaudited)
(Amounts in thousands, except unit and per unit amounts)

\$9,930 and are reflected in other long-term assets in the Company's condensed consolidated balance sheet, net of accumulated amortization of \$1,243 as of March 31, 2015.

The credit facility requires the Company to meet certain financial covenants, which the Company was in compliance with as of March 31, 2015. The facility is secured by all of the Company's assets, excluding the assets attributable to the consolidated VIEs (see note 3).

Future principal payments of long-term debt as of March 31, 2015 are as follows:

Remainder of 2015	\$ 3,825
2016	5,100
2017	5,100
2018	5,100
2019	5,100
Thereafter	481,875
Total	<u>\$ 506,100</u>

(9) Derivative instruments and hedging activities

The Company utilizes interest-rate-related derivative instruments to manage its exposure related to changes in interest rates on its variable-rate debt instruments. The Company does not enter into derivative instruments for any purpose other than cash flow hedging. The Company does not speculate using derivative instruments.

By using derivative financial instruments to hedge exposures to changes in interest rates, the Company exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is an asset, the counterparty owes the Company, which creates credit risk for the Company. When the fair value of a derivative contract is a liability, the Company owes the counterparty and, therefore, the Company is not exposed to the counterparty's credit risk in those circumstances. The Company minimizes counterparty credit risk in derivative instruments by entering into transactions with high-quality counterparties whose credit rating is higher than A1/A+ at the inception of the derivative transaction. The derivative instruments entered into by the Company do not contain credit-risk-related contingent features.

Market risk is the adverse effect on the value of a derivative instrument that results from a change in interest rates. The market risk associated with interest-rate contracts is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

The Company assesses interest rate risk by continually identifying and monitoring changes in interest rate exposures that may adversely impact expected future cash flows and by evaluating hedging opportunities. The Company monitors interest rate risk attributable to both the Company's outstanding or forecasted debt obligations as well as the Company's offsetting hedge positions.

As of March 31, 2014, the total notional amount of the Company's outstanding LIBOR based interest-rate swap agreements that were entered into to manage fluctuations in cash flows resulting from changes in the benchmark interest rate of LIBOR was \$90.6 million. It was determined during the quarter ended March 31,

Pla-Fit Holdings, LLC and subsidiaries

Notes to condensed consolidated financial statements

(unaudited)
(Amounts in thousands, except unit and per unit amounts)

2014 that the hedge was ineffective and expense of \$92 was reclassified from other comprehensive income to interest expense. The interest rate swaps were terminated in September 2014.

In September 2014, the Company entered into a series of interest rate caps. As of March 31, 2015, the total notional amount of the Company's outstanding interest-rate cap agreements that were entered into to hedge interest rate changes above 1.5% LIBOR was \$194 million.

The interest rate cap balances of \$1,711 and \$932 were recorded within other assets at December 31, 2014 and March 31, 2015, respectively. The Company recorded a reduction to the value of its interest rate caps of \$779, within other comprehensive loss during the three months ended March 31, 2015. These amounts have been measured at fair value and are considered to be a Level 2 fair value measurement.

As of March 31, 2015, the Company does not expect to reclassify any amounts included in accumulated other comprehensive income into earnings during the next 12 months. Transactions and events expected to occur over the next twelve months that will necessitate reclassifying these derivatives' loss to earnings include the re-pricing of variable-rate debt.

(10) Deferred revenue

The summary set forth below represents the balances in deferred revenue as of December 31, 2014 and March 31, 2015:

	December 31, 2014	March 31, 2015
Prepaid membership fees	\$ 5,382	\$ 5,130
Enrollment fees	1,692	1,815
Equipment discount	2,689	2,534
Annual membership fees	5,696	4,188
Area development and franchise fees	8,420	9,410
Total deferred revenue	23,879	23,077
Long-term portion of deferred revenue	9,330	9,443
Current portion of deferred revenue	<u>\$ 14,549</u>	<u>\$ 13,634</u>

Equipment deposits received in advance of delivery, placement, and customer acceptance as of December 31, 2014 and March 31, 2015 were \$6,675 and \$6,445, respectively.

Pla-Fit Holdings, LLC and subsidiaries

Notes to condensed consolidated financial statements

(unaudited)

(Amounts in thousands, except unit and per unit amounts)

(11) Related party transactions

Amounts due from members as of December 31, 2014 and March 31, 2015 relate to reimbursements for taxes owed and paid by the Company on their behalf.

	December 31, 2014	March 31, 2015
Accounts receivable—related entities	\$ 11	\$ 13
Accounts receivable—members	1,130	1,126
	1,141	1,139
Due from related parties, current portion	1,141	1,139
Due from related parties, net of current portion	<u>\$ —</u>	<u>\$ —</u>

Activity with entities considered to be related parties is summarized below.

	Quarter ended March 31, 2014	2015
Franchise revenue	\$ 125	\$ 262
Equipment revenue	669	55
Total revenue from related parties	<u>\$ 794</u>	<u>\$ 317</u>

The Company paid management fees to TSG totaling \$331 and \$228 for the quarters ending March 31, 2014 and 2015, respectively.

(12) Income taxes

The Company's effective tax rate during all periods presented is significantly lower than the U.S. federal statutory tax rate of 35% due to its election to be treated as a pass-through entity for U.S. federal income taxes and for most state income taxes. Net deferred tax liabilities of \$343 and \$352 as of December 31, 2014 and March 31, 2015, respectively, relate primarily to the tax effects of temporary differences for acquired intangible assets. Deferred tax assets as of December 31, 2014 and March 31, 2015 are immaterial and included in other assets in the accompanying condensed consolidated balance sheets. The Company has net operating loss carryforwards related to its Canada operations of approximately \$280, which begin to expire in 2034. It is more likely than not that the results of future operations will generate sufficient taxable income to realize the deferred tax assets.

As of March 31, 2015, the total liability related to uncertain tax positions is \$300. The Company recognizes interest accrued and penalties, if applicable, related to unrecognized tax benefits in income tax expense. Interest and penalties for the quarters ended March 31, 2014 and 2015 were not material.

(13) Commitments and contingencies

The Company rents equipment, office, and warehouse space at various locations in the United States and Canada under noncancelable operating leases. Rental expense was \$3,551 and \$4,620 for the three months

Pla-Fit Holdings, LLC and subsidiaries

Notes to condensed consolidated financial statements

(unaudited)

(Amounts in thousands, except unit and per unit amounts)

ending March 31, 2014 and 2015, respectively. Approximate annual future commitments under noncancelable operating leases as of March 31, 2015 are as follows:

Remainder of 2015	\$ 9,780
2016	13,341
2017	12,996
2018	12,148
2019	10,614
Thereafter	56,348
Total	<u>\$ 115,227</u>

From time to time, and in the ordinary course of business, the Company is subject to various claims, charges, and litigation, such as employment-related claims and slip and fall cases. The Company is not currently aware of any legal proceedings or claims that the Company believes will have, individually or in the aggregate, a material adverse effect on the Company's financial position or result of operations.

As of March 31, 2015 the Company had advertising purchase commitments of approximately \$9,944, including commitments made by the NAF. In addition the Company had open purchase orders of approximately \$15,288 primarily related to equipment to be sold to franchisees.

The Company's maximum obligation, as a result of its guarantees of leases and debt, is approximately \$2,896 and \$2,526 as of December 31, 2014 and March 31, 2015, respectively.

During 2013, the Company adopted the 2013 Performance Incentive Plan, which calls for pre-determined bonuses to be paid to employees of the Company upon a future liquidity event of the Company, including an initial public offering, that exceeds a predetermined threshold. As of March 31, 2015, awards outstanding under this plan total \$1,740. Given the uncertainty of the underlying event, no compensation expense has been recorded to date related to this plan. The bonuses would be recorded in the period in which the liquidity event occurs, including the initial public offering contemplated in the accompanying Form S-1.

(14) Segments

The Company has three reportable segments: (i) Franchise; (ii) Corporate-owned stores; and (iii) Equipment.

The Company's operations are organized and managed by type of products and services and segment information is reported accordingly. The Company's chief operating decision maker (the "CODM") is its Chief Executive Officer. The CODM reviews financial performance and allocates resources by reportable segment. There have been no operating segments aggregated to arrive at the Company's reportable segments.

The Franchise segment includes operations related to the Company's franchising business in the United States, Puerto Rico, and Canada. The Corporate-owned stores segment includes operations with respect to all Corporate-owned stores throughout the United States and Canada. The Equipment segment includes the sale of equipment to franchisee-owned stores.

The accounting policies of the reportable segments are the same as those described in note 2. The Company evaluates the performance of its segments and allocates resources to them based on revenue and earnings before

Pla-Fit Holdings, LLC and subsidiaries

Notes to condensed consolidated financial statements

(unaudited)

(Amounts in thousands, except unit and per unit amounts)

interest, taxes, depreciation, and amortization, referred to as Segment EBITDA. Revenues for all operating segments include only transactions with unaffiliated customers and include no intersegment revenues.

The tables below summarize the financial information for the Company's reportable segments for the quarters ended March 31, 2014 and 2015. The "Corporate and other" column as it relates to Segment EBITDA primarily includes corporate overhead costs, such as payroll and related benefit costs and professional services which are not directly attributable to any individual segment.

	Quarter ended March 31,	
	2014	2015
Revenue		
Franchise segment	\$ 16,500	\$ 21,757
Corporate-owned stores segment	17,703	\$ 23,546
Equipment segment	23,391	\$ 31,619
Total revenue	\$ 57,594	\$ 76,922

Franchise segment revenue includes franchise revenue and commission income.

Franchise revenue includes \$77 and \$100 generated from franchisee-owned stores in Puerto Rico for the quarters ended March 31, 2014 and 2015, respectively. The Company's Canadian corporate-owned stores generated \$0 and \$276 in revenue for the quarters ended March 31, 2014 and 2015, respectively. All other revenue for the periods presented was generated from corporate-owned and franchisee-owned stores within the United States. Franchise revenue includes \$1,590 and \$1,974 generated from placement services for the quarters ended March 31, 2014 and 2015. Costs related to placement services of \$497 and \$755 were included in selling, general and administrative expenses for the quarters ended March 31, 2014 and 2015, respectively.

	Quarter ended March 31,	
	2014	2015
Segment EBITDA		
Franchise	\$ 12,853	\$ 13,578
Corporate-owned stores	6,442	7,798
Equipment	5,018	6,763
Corporate and other	(4,618)	(6,372)
Total Segment EBITDA	\$ 19,695	\$ 21,767

Pla-Fit Holdings, LLC and subsidiaries

Notes to condensed consolidated financial statements

(unaudited)
(Amounts in thousands, except unit and per unit amounts)

The following table reconciles total Segment EBITDA to income before taxes:

	Quarter ended March 31,	
	2014	2015
Total Segment EBITDA	\$ 19,695	\$ 21,767
Less:		
Depreciation and amortization	6,536	8,201
Other expense	(379)	(736)
Income from operations	13,538	14,302
Interest expense, net	(6,562)	(4,756)
Other expense	(379)	(736)
Income before income taxes	<u>\$ 6,597</u>	<u>\$ 8,810</u>

The following table summarizes the Company's assets by reportable segment:

	December 31, 2014	March 31, 2015
Franchise	\$ 183,964	\$ 135,191
Corporate-owned stores	161,183	174,991
Equipment	250,578	254,700
Unallocated	13,551	14,685
Total consolidated assets	<u>\$ 609,276</u>	<u>\$ 579,567</u>

The table above includes \$2,011 and \$3,342 of long-lived assets located in the Company's corporate-owned stores in Canada as of December 31, 2014 and March 31, 2015, respectively.

The following table summarizes the Company's goodwill by reportable segment:

	December 31, 2014	March 31, 2015
Franchise	\$ 16,938	\$ 16,938
Corporate-owned stores	67,377	67,377
Equipment	92,666	92,666
Consolidated goodwill	<u>\$ 176,981</u>	<u>\$ 176,981</u>

Pla-Fit Holdings, LLC and subsidiaries

Notes to condensed consolidated financial statements

(unaudited)

(Amounts in thousands, except unit and per unit amounts)

(15) Corporate-owned and franchisee-owned stores

The following table shows changes in our corporate-owned and franchisee-owned stores for the quarters ended March 31, 2014 and 2015:

	Quarter ended March 31,	
	2014	2015
Franchisee-owned stores:		
Stores operated at beginning of period	704	863
New stores opened	36	59
Stores acquired from corporate	—	—
Stores debranded, sold or consolidated	(8)	(3)
Stores operated at end of period	<u>732</u>	<u>919</u>
Corporate-owned stores:		
Stores operated at beginning of period	45	55
New stores opened	—	2
Stores acquired from franchisees	8	—
Stores sold	—	—
Stores operated at end of period	<u>53</u>	<u>57</u>
Total stores:		
Stores operated at beginning of period	749	918
New stores opened	36	61
Stores debranded, sold or consolidated	—	(3)
Stores operated at end of period	<u>785</u>	<u>976</u>

(16) Pro forma financial information

Unaudited pro forma financial information has been presented to disclose the pro forma income tax expense and net income attributable to Planet Fitness, Inc., the registrant in the accompanying Form S-1 to register shares of Class A common stock of Planet Fitness, Inc. The unaudited pro forma financial information reflects an adjustment to the provision for income taxes to reflect an effective tax rate of %, which was calculated using the U.S. federal income tax rate and the highest statutory rates applied to income apportioned to each state and local jurisdiction. This tax rate has been applied to the % portion of income before taxes that represents the economic interest in Pla-Fit Holdings, LLC that will be held by Planet Fitness Inc. upon completion of the Merger and Reclassification disclosed in the Form S-1, but before application of the proceeds of the offering. In addition, pro forma provision for income taxes includes the historical provision for income taxes of \$ related to Pla-Fit Holdings, LLC. The sum of these amounts represents total pro forma provision for income taxes of \$.

The unaudited pro forma financial information also reflects the effects of the Merger and Reclassification on the allocation of pro forma net income between noncontrolling interests and Planet Fitness, Inc. After the

Pla-Fit Holdings, LLC and subsidiaries

Notes to condensed consolidated financial statements

(unaudited)
(Amounts in thousands, except unit and per unit amounts)

Merger and Reclassification, but prior to the completion of the offering, the noncontrolling interests of Planet Fitness, Inc. held by the continuing owners of Pla-Fit Holdings, LLC will have a % economic ownership of Pla-Fit Holdings, LLC, and as such, % of pro forma net income will be attributable to the noncontrolling interests.

Unaudited pro forma net income per share has been computed to give effect to the number of shares whose proceeds would be necessary to pay the distributions to its members totaling \$173,900 during the year ended December 31, 2014 and \$140,000 during the quarter ended March 31, 2015 as if such distributions occurred on January 1, 2015, to the extent they are in excess of the pro forma net income of \$ attributable to Planet Fitness, Inc. for the twelve months ended March 31, 2015, calculated as the sum of pro forma net income of \$ for the period from April 1, 2014 through December 31, 2014, and pro forma net income of \$ for the period from January 1, 2015 through March 31, 2015. The pro forma unaudited net income per share has been prepared using pro forma net income, as set forth above, which reflects the pro forma effects on provision for income taxes and the allocation of pro forma net income between noncontrolling interests and Planet Fitness, Inc., resulting from the Merger and Reclassification, but before application of the proceeds of the offering. In addition, pro forma weighted average shares outstanding includes Class A common stock of Planet Fitness, Inc. that will be outstanding after the Merger and Reclassification, but before the offering, as well as shares issued in the offering whose proceeds would be necessary to pay the distributions to members as set forth above.

The supplemental pro forma information has been computed, assuming an initial public offering price of \$ per share, the midpoint in the estimated price range set forth on the cover of the prospectus included in the Company's Form S-1 Registration Statement. The computations assume there will be no exercise by the underwriters of their option to purchase additional shares of Class A common stock.

	Twelve months ended March 31, 2015
Pro forma net income attributable to Planet Fitness, Inc.—basic and diluted	\$
Pro forma weighted average shares of Class A common stock—basic and diluted	
Weighted average shares outstanding during the period	
Shares issued in the offering necessary to pay member distributions	
Pro forma weighted average shares of Class A common stock	
Pro forma net income per share—basic and diluted	\$

(17) Subsequent events

The Company has evaluated events that have occurred subsequent to March 31, 2015 through May 5, 2015, the date these consolidated financial statements were available to be issued.

Table of Contents



Westminster, Maryland



Toronto, Canada

Planet of Triumphs

REAL STORIES. REAL MEMBERS.

100% JUDGEMENT FREE.

www.planetoftriumphs.com

I LOOK FORWARD TO MY WEEK BECAUSE

... I know I will be at PF everyday after work!

Search425 · 1h

FEELING LIKE

... a rock star thanks to an incredible workout this morning!! Every... Read More

Search425 · 1h

ONE YEAR AGO, I NEVER THOUGHT I WOULD

... be where I'm at now. I weighed 253 lbs a year ago. I've lost 147L... Read More

Search425 · 1h

BEFORE 10AM TODAY I

... Had a great arm workout & I know it was good when it takes a lot L... Read More

Search425 · 1h

I JUST WOULD LIKE TO THANK THE FOLKS

... at Planet Fitness Corporate as well as Planet Fitness Colorado Spr... Read More

Search425 · 1h

THANKS TO THE JUDGEMENT FREE ZONE, I

... lost over 170 lbs....before...

Search425 · 1h

I ONCE THOUGHT I'D NEVER

... would be active and able to fit into smaller clothes again. But... Read More

Search425 · 1h

IT MAKES ME SO HAPPY TO SAY I

... Went to the gym and did a great back and biceps workout

Search425 · 1h

Through and including _____, 2015 (25 days after the commencement of this offering), all dealers that effect transactions in shares of our Class A common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to their unsold allotments or subscriptions.

Part II

Information not required in prospectus

Item 13. Other expenses of issuance and distribution

The following table sets forth the costs and expenses, other than the underwriting discounts and commissions, payable by the registrant in connection with the sale of Class A common stock being registered. All amounts are estimates except for the SEC registration fee, the FINRA filing fee and NYSE listing fee.

Item	Amount to be paid
SEC registration fee	\$ 11,620
FINRA filing fee	\$ 14,850
NYSE listing fee	*
Blue sky fees and expenses	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous expenses	*
Total	\$ *

* To be completed by amendment.

Item 14. Indemnification of directors and officers

Section 145(a) of the General Corporation Law of the State of Delaware (the “DGCL”) grants each corporation organized thereunder the power to indemnify any person 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), by reason of the fact that such person 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 or other enterprise, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person’s conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that such person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person’s conduct was unlawful.

Section 145(b) of the DGCL grants each corporation organized thereunder the power to indemnify any person 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 the person 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 or other enterprise, against expenses (including attorneys’ fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a

Table of Contents

manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall 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 Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 102(b)(7) of the DGCL enables a corporation in its certificate of incorporation or an amendment thereto to eliminate or limit the personal liability of a director to the corporation or its stockholders of monetary damages for violations of the director's fiduciary duty, except (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL (providing for liability of directors for unlawful payment of dividends or unlawful stock purchases or redemptions) or (iv) for any transaction from which a director derived an improper personal benefit. Our certificate of incorporation includes a provision that eliminates the personal liability of directors for monetary damages for actions taken as a director to the fullest extent authorized by the DGCL.

We have also entered into indemnification agreements with certain of our directors. Such agreements generally provide for indemnification by reason of being our director, as the case may be. These agreements are in addition to the indemnification provided by our certificate of incorporation and bylaws. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, we have been informed that in the opinion of the SEC such indemnification is against public policy and is therefore unenforceable.

The underwriting agreement provides that the underwriters are obligated, under certain circumstances, to indemnify our directors, officers and controlling persons against certain liabilities, including liabilities under the Securities Act. Please see the form of underwriting agreement filed as Exhibit 1.1 hereto.

Our amended and restated bylaws indemnify the directors and officers to the full extent of the DGCL and also allow the board of directors to indemnify all other employees. Such right of indemnification is not exclusive of any right to which such officer or director may be entitled as a matter of law and shall extend and apply to the estates of deceased officers and directors. Section 145(f) of the DGCL further provides that a right to indemnification or to advancement of expenses arising under a provision of the bylaws shall not be eliminated or impaired by an amendment to such provision after the occurrence of the act or omission which is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought.

We also maintain a directors' and officers' insurance policy. The policy insures directors and officers against unindemnified losses arising from certain wrongful acts in their capacities as directors and officers and reimburses us for those losses for which we have lawfully indemnified the directors and officers. The policy contains various exclusions that are normal and customary for policies of this type. Section 145(g) of the DGCL provides that a corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under that section.

Item 15. Recent sales of unregistered securities

In March 2015, the registrant issued 100 shares of common stock to Christopher Rondeau for aggregate consideration of \$1. The shares were issued in reliance on the exemption contained in Section 4(a)(2) of the Securities Act of 1933 on the basis that the transaction did not involve a public offering.

In connection with the recapitalization transactions described in the accompanying prospectus, the registrant will issue shares of Class B common stock to investment funds affiliated with TSG Consumer Partners, LLC, and certain members of our management and our board of directors. The shares of Class B common stock described above will be issued in reliance on the exemption contained in Section 4(a)(2) of the Securities Act of 1933 on the basis that the transaction will not involve a public offering. No underwriters will be involved in the transaction.

Item 16. Exhibits and financial statement schedules

(a) Exhibits

See Exhibit Index following the signature page.

(b) Financial statement schedules

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings

The undersigned Registrant hereby undertakes:

(1) That 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 of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) That 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.

(3) For the purpose of determining liability under the Securities Act of 1933 to any purchaser, if the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(4) The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the

Table of Contents

purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(5) 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 Act 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 Act and will be governed by the final adjudication of such issue.

(6) To provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Signatures

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Newington, State of New Hampshire, on June 22, 2015.

PLANET FITNESS, INC.

By: /s/ Christopher Rondeau
Name: Christopher Rondeau
Title: Chief Executive Officer

Power of attorney

We, the undersigned officers and directors of Planet Fitness, Inc., do hereby constitute and appoint each of Christopher Rondeau, Dorvin Lively and Richard Moore to be our true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for each of us and in our name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) and exhibits to this registration statement on Form S-1 (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933) and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to the registration of the securities covered hereby, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, 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 connection therewith and about the premises, as fully to all intents and purposes as each of us might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or any of them or their or his substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Christopher Rondeau</u> Christopher Rondeau	Chief Executive Officer and Director (Principal Executive Officer)	June 22, 2015
<u>/s/ Dorvin Lively</u> Dorvin Lively	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	June 22, 2015
<u>/s/ Charles Esserman</u> Charles Esserman	Director	June 22, 2015
<u>/s/ Marc Grondahl</u> Marc Grondahl	Director	June 22, 2015
<u>/s/ Michael Layman</u> Michael Layman	Director	June 22, 2015

Table of Contents

Signature	Title	Date
<u>/s/ Pierre LeComte</u> Pierre LeComte	Director	June 22, 2015
<u>/s/ Stephen Spinelli, Jr.</u> Stephen Spinelli, Jr.	Director	June 22, 2015
<u>/s/ Edward Wong</u> Edward Wong	Director	June 22, 2015

Exhibit index

Exhibit number	Description of exhibit
1.1*	Form of Underwriting Agreement
3.1	Restated Certificate of Incorporation of Planet Fitness, Inc.
3.2	Amended and Restated Bylaws of Planet Fitness, Inc.
4.1*	Form of Class A Common Stock Certificate
5.1*	Opinion of Ropes & Gray LLP
10.1	Amended and Restated Credit Agreement dated as of March 31, 2014 among Planet Intermediate, LLC, as Holdings, Planet Fitness Holdings, LLC, as Borrower, the other loan parties thereto, and the lenders party thereto
10.2	Amendment No. 1 to Amended and Restated Credit Agreement, dated as of March 31, 2015 among Planet Intermediate, LLC, Planet Fitness Holdings, LLC, the lenders party thereto and JP Morgan Chase Bank, N.A.
10.3	Amended and Restated Pledge and Security Agreement dated as of March 31, 2014 by and between Planet Intermediate, LLC, Planet Fitness Holdings, LLC, as Borrower, and Borrower Grantors from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent for the lenders party thereto
10.4*	Form of Amended and Restated Pla-Fit Holdings, LLC Operating Agreement
10.5*	Form of Tax Receivable Agreement with the Continuing LLC Owners
10.6*	Form of Tax Receivable Agreement with the Direct TSG Investors
10.7*	Form of Registration Rights Agreement
10.8*	Form of Stockholders Agreement
10.9*	Form of Exchange Agreement
10.10	Employment Agreement with Christopher Rondeau
10.11	Amendment to Employment Agreement with Christopher Rondeau
10.12	Employment Agreement with Dorvin Lively
10.13	Employment Agreement with Richard Moore
10.14	Pla-Fit Holdings, LLC 2013 Equity Incentive Plan
10.15	Form of Class M Unit Award under Pla-Fit Holdings, LLC 2013 Equity Incentive Plan
10.16	Form of Planet Fitness, Inc. 2015 Omnibus Incentive Plan
10.17	Form of Planet Fitness, Inc. Cash Incentive Plan
10.18*	Form of Recapitalization Agreement
21.1	Subsidiaries of the Registrant
23.1	Consent of KPMG LLP
23.2*	Consent of Ropes & Gray LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included in the signature pages to this Registration Statement)

* To be filed by amendment.

RESTATED CERTIFICATE OF INCORPORATION

OF

PLANET FITNESS, INC.

Planet Fitness, Inc., a Delaware corporation (the “Corporation”), hereby certifies that this Restated Certificate of Incorporation has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware (the “DGCL”), and that:

A. The name of the Corporation is: Planet Fitness, Inc.

B. The original Certificate of Incorporation of the Corporation was filed with the Secretary of the State of Delaware on March 16, 2015 (the “Original Certificate of Incorporation”).

C. This Restated Certificate of Incorporation amends and restates the Original Certificate of Incorporation of the Corporation.

D. The Certificate of Incorporation upon the filing of this Restated Certificate of Incorporation, shall read in full as follows:

ARTICLE I — NAME

The name of the corporation is Planet Fitness, Inc. (the “Corporation”).

ARTICLE II — REGISTERED OFFICE AND AGENT

The address of the Corporation’s registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of the Corporation’s registered agent at such address is The Corporation Trust Company.

ARTICLE III — PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the “DGCL”).

ARTICLE IV — CAPITALIZATION

(a) Authorized Shares. The total number of shares of all classes of stock that the Corporation is authorized to issue is [] shares of stock, consisting of (i) [] shares of Preferred Stock, par value \$0.01 per share (“Preferred Stock”), (ii) [] shares of Class A Common Stock, par value \$0.01 per share (“Class A Common Stock”), and (iii) [] shares of Class B Common Stock, par value \$0.01 per share (“Class B Common Stock” and, together with the Class A Common Stock, the “Common Stock”).

(b) Common Stock . Subject to the powers, preferences and rights of any Preferred Stock, including any series thereof, having any preference or priority over, or rights superior to, the Common Stock and except as otherwise provided by law and this Article IV, the holders of the Common Stock shall have and possess all powers and voting and other rights pertaining to the stock of the Corporation.

(i) *Voting* .

a) Each holder of shares of Class A Common Stock, as such, shall be entitled to one vote for each share of Class A Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote; provided , however , that to the fullest extent permitted by law, holders of shares of Class A Common Stock, as such, shall have no voting power with respect to, and shall not be entitled to vote on, any amendment to this Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if only 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 Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) or pursuant to the DGCL.

b) Each holder of shares of Class B Common Stock, as such, shall be entitled to one vote for each share of Class B Common Stock held of record by such holder on all matters on which stockholders are generally entitled to vote; provided , however , that to the fullest extent permitted by law, holders of Class B Common Stock, as such, shall have no voting power with respect to, and shall not be entitled to vote on, any amendment to this Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if only 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 Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) or pursuant to the DGCL.

c) Except as otherwise required in this Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) or by applicable law, the holders of Common Stock shall vote together as a single class on all matters (or, if any holders of Preferred Stock are entitled to vote together with the holders of Common Stock, as a single class with such holders of Preferred Stock); provided , that the holders of shares of Class B Common Stock as such shall be entitled to vote separately as a class upon any amendment to this Restated Certificate of Incorporation that would alter or change the powers, preferences or rights of the Class B Common Stock so as to affect them adversely. There shall be no cumulative voting.

(ii) *Dividends* . Dividends of cash or property may be declared and paid on the Class A Common Stock from funds lawfully available therefor as and when determined by the Board of Directors and subject to any preferential dividend rights of any then outstanding Preferred Stock. Except as otherwise provided by the DGCL or this Restated Certificate of Incorporation, the holders of record of shares of Class A Common Stock shall share ratably in all dividends payable in cash, stock or otherwise and other

distributions, whether in respect of liquidation or dissolution (voluntary or involuntary) or otherwise. Holders of shares of Class B Common Stock, as such, shall not be entitled to receive dividends of cash or property.

(iii) *Liquidation Rights* . In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation and of the preferential and other amounts, if any, to which the holders of Preferred Stock shall be entitled, the holders of all outstanding shares of Class A Common Stock shall be entitled to receive the remaining assets of the Corporation available for distribution ratably in proportion to the number of shares held by each such stockholder. Holders of shares of Class B Common Stock, as such, shall not be entitled to receive any assets of the Corporation in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

(iv) *Cancellation of shares of Class B Common Stock* . Immediately upon the exchange of a Holdings Unit (together with a share of Class B Common Stock) with the Corporation pursuant to the terms of the exchange agreement among the Corporation, Pla-Fit and holders of Class B Common Stock and Holdings Units (the “Exchange Agreement”) and the Amended and Restated Limited Liability Company Agreement of Pla-Fit (the “LLC Agreement”), such share of Class B Common Stock shall automatically be canceled with no consideration being paid or issued with respect thereto, pursuant and subject to the terms of the Exchange Agreement and the LLC Agreement. Any such canceled shares of Class B Common Stock shall thereafter no longer be outstanding, and all rights with respect to such shares shall automatically cease and terminate.

(v) *Shares Reserved for Issuance* . The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, such number of shares of Class A Common Stock that shall from time to time be sufficient to effect the exchange of all outstanding Holdings Units (other than such Holdings Units owned by the Corporation or any of its wholly owned subsidiaries) along with an equal number of Class B Common Stock for Class A Common Stock; provided , that nothing contained herein shall be construed to preclude the Corporation from satisfying its obligations in respect of the exchange of the Holdings Units (along with Class B Common Stock) by delivery of purchased shares of Class A Common Stock which are held in the treasury of the Corporation. Notwithstanding anything to the contrary contained in this Restated Certificate of Incorporation, and in addition to any other vote required by the DGCL or this Restated Certificate of Incorporation, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of the then outstanding Class B Common Stock, voting together as a class, shall be required to alter, amend or repeal this Article IV(b)(v) or to adopt any provision inconsistent therewith.

(vi) *No Preemptive Rights* . Holders of Common Stock shall have no preemptive rights to subscribe for any shares of any class of stock of the Corporation whether now or hereafter authorized.

(vii) *No Conversion Rights* . Without limiting the rights of holders of Class B Common Stock and Holdings Units as provided in the Exchange Agreement and the LLC Agreement, the Common Stock shall not be convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same class of the Corporation’s capital stock.

(c) Preferred Stock . Shares of Preferred Stock may be issued in one or more series, from time to time, with each such series to consist of such number of shares and to have such voting powers relative to other classes or series of Preferred Stock, if any, or Common Stock, full or limited or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, as shall be stated in the resolution or resolutions providing for the issuance of such series adopted by the Board of Directors, and the Board of Directors is hereby expressly vested with the authority, to the full extent now or hereafter provided by applicable law, to adopt any such resolution or resolutions. Except as otherwise provided in this Restated Certificate of Incorporation, no vote of the holders of the Preferred Stock or Common Stock shall be a prerequisite to the designation or issuance of any shares of any series of the Preferred Stock authorized by and complying with the conditions of this Restated Certificate of Incorporation, the right to have such vote being expressly waived by all present and future holders of the capital stock of the Corporation. Any shares of Preferred Stock that are redeemed, purchased or acquired by the Corporation may be reissued except as otherwise provided by law or this Restated Certificate of Incorporation. Different series of Preferred Stock shall not be construed to constitute different classes of shares for the purposes of voting by classes unless expressly provided in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors.

(d) No Class Vote on Changes in Authorized Number of Shares of Stock . Subject to the rights of the holders of any series of Preferred Stock pursuant to the terms of this Restated Certificate of Incorporation, any certificate of designations or any resolution or resolutions providing for the issuance of such series of stock adopted by the Board of Directors, the number of authorized shares of a class of 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 of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, irrespective of the provisions of Section 242(b)(2) of the DGCL.

ARTICLE V — BOARD OF DIRECTORS

(a) Number of Directors; Vacancies and Newly Created Directorships . The number of directors constituting the Board of Directors shall be not fewer than three (3) and not more than fifteen (15), each of whom shall be a natural person. Subject to the rights of the holders of any series of Preferred Stock to elect directors, the precise number of directors shall be fixed exclusively pursuant to a resolution adopted by the Board of Directors. Vacancies and newly-created directorships shall be filled exclusively by vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director, except that any vacancy created by the removal of a director by the stockholders for cause shall only be filled, in addition to any other vote otherwise required by law, by vote of a majority of the outstanding shares of Common Stock. No decrease in the number of directors constituting the Board of Directors shall

shorten the term of any incumbent director. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office, and a director chosen to fill a position resulting from an increase in the number of directors shall hold office until the next election of the class for which such director shall have been chosen, subject to the election and qualification of his or her successor and to his or her earlier death, resignation or removal.

(b) Classified Board of Directors . Subject to the rights of the holders of any series of Preferred Stock to elect directors, the Board of Directors (other than those directors elected by the holders of any series of Preferred Stock) shall be classified into three classes: Class I; Class II; and Class III. Each class shall consist, as nearly equal in number as possible, of one-third of the total number of directors constituting the entire Board of Directors and the allocation of directors among the three classes shall be determined by the Board of Directors. The initial Class I Directors shall serve for a term expiring at the first annual meeting of stockholders of the Corporation following the filing of this Restated Certificate of Incorporation; the initial Class II Directors shall serve for a term expiring at the second annual meeting of stockholders following the filing of this Restated Certificate of Incorporation; and the initial Class III Directors shall serve for a term expiring at the third annual meeting of stockholders following the filing of this Restated Certificate of Incorporation. Each director in each class shall hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. At each annual meeting of stockholders beginning with the first annual meeting of stockholders following the filing of this Restated Certificate of Incorporation, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders to be held in the third year following the year of their election, with each director in each such class to hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible and such apportionment shall be determined by the Board of Directors.

(c) Removal . Subject to the rights of the holders of any series of Preferred Stock to elect directors, the directors of the Corporation may be removed only for cause by the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, at a meeting of the stockholders called for that purpose; provided , however , that prior to the first date (the “ Trigger Date ”) on which investment funds affiliated with TSG Consumer Partners LLC and their respective successors, Transferees and Affiliates (collectively, the “ TSG Entities ”) cease collectively to beneficially own (directly or indirectly) more than fifty percent (50%) of the outstanding shares of Common Stock, the directors of the Corporation 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 capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class. “ Affiliate ” means, with respect to any Person, any other Person that controls, is controlled by, or is under common control with such Person; the term “ control ,” as used in this definition, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or

otherwise, and “ controlled ” and “ controlling ” have meanings correlative to the foregoing. “ Person ” means an individual, any 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. “ Transferee ” means any Person who (i) becomes a beneficial owner of Common Stock upon having purchased such shares of Common Stock from an investment fund affiliated with a TSG Entity and (ii) is designated in writing by the transferor as a “Transferee” and a copy of such writing is provided to the Corporation at or prior to the time of such purchase; provided , however , that a purchaser of Common Stock in a registered offering or in a transaction effected pursuant to Rule 144 under the Securities Act of 1933, as amended, (or any similar or successor provision thereto) shall not be a “Transferee.” For the purpose of this Restated Certificate of Incorporation “ beneficial ownership ” shall be determined in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the “ Exchange Act ”).

ARTICLE VI — LIMITATION OF DIRECTOR LIABILITY

To the fullest extent that the DGCL or any other law of the State of Delaware (as they exist on the date hereof or as they may hereafter be amended) permits the limitation or elimination of the liability of directors, no director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. No amendment to, or modification or repeal of, this Article VI shall adversely affect any right or protection of a director of the Corporation existing hereunder with respect to any state of facts existing or act or omission occurring, or any cause of action, suit or claim that, but for this Article VI, would accrue or arise, prior to such amendment, modification or repeal. If, after this Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware, the DGCL or such other law is amended 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 or such other law, as so amended.

ARTICLE VII — MEETINGS OF STOCKHOLDERS

(a) No Action by Written Consent . From and after the Trigger Date, any action required or permitted to be taken by the stockholders of the Corporation may be effected only at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

(b) Special Meetings of Stockholders . Subject to any rights of the holders of any series of Preferred Stock, and to the requirements of applicable law, special meetings of stockholders of the Corporation may be called only (i) by or at the direction of the chairman of the Board of Directors or any vice-chairman, (ii) by or at the direction of the Board of Directors pursuant to a written resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies, or (iii) prior to the Trigger Date, by the Secretary of the Corporation at the request of the holders of fifty percent (50%) or more of the outstanding shares of Common Stock. Any business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

(c) Election of Directors by Written Ballot . Election of directors need not be by written ballot.

ARTICLE IX — AMENDMENTS TO THE CERTIFICATE OF INCORPORATION AND BYLAWS

(a) Bylaws. In furtherance and not in limitation of the powers conferred by law, the Board of Directors is expressly authorized to make, alter, amend or repeal the bylaws of the Corporation subject to the power of the stockholders of the Corporation entitled to vote with respect thereto to make, alter, amend or repeal the bylaws both before and after the Trigger Date; provided, that with respect to the powers of stockholders entitled to vote with respect thereto to make, alter, amend or repeal the bylaws, from and after the Trigger Date, in addition to any other vote otherwise required by law, the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote with respect thereto, voting together as a single class, shall be required to make, alter, amend or repeal the bylaws of the Corporation.

(b) Amendments to the Certificate of Incorporation. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation both before and after the Trigger Date, in the manner now or hereafter prescribed by the DGCL, and all rights conferred upon stockholders herein are granted subject to this reservation. Notwithstanding anything to the contrary contained in this Restated Certificate of Incorporation, and notwithstanding that a lesser percentage may be permitted from time to time by applicable law, from and after the Trigger Date, no provision of Article IV, Article V, Article VI, paragraphs (a) and (b) of Article VII, Article VIII, Article IX, Article X and Article XI may be altered, amended or repealed in any respect, nor may any provision or bylaw inconsistent therewith be adopted, unless, in addition to any other vote required by this Restated Certificate of Incorporation or otherwise required by law, such alteration, amendment, repeal or adoption is approved by the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, at a meeting of the stockholders called for that purpose.

ARTICLE X — BUSINESS COMBINATIONS

(a) Opt Out of Section 203 of the DGCL. The Corporation shall not be governed by Section 203 of the DGCL.

(b) Limitations on Business Combinations. Notwithstanding the foregoing, the Corporation shall not engage in any business combination (as defined below), at any point in time at which any class of the Corporation's Common Stock is registered under Section 12(b) or Section 12(g) of the Exchange Act, with any interested stockholder (as defined below) for a period of three (3) years following the time that such stockholder became an interested stockholder, unless:

(i) prior to such time, the Board of Directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

(ii) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least eighty-five percent (85%) of the voting stock (as defined below) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned by (i) persons who are directors of the Corporation and also officers of the Corporation or (ii) employee stock plans of the Corporation in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

(iii) at or subsequent to such time, the business combination is approved by the Board of Directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding voting stock of the Corporation which is not owned by the interested stockholder.

(c) Definitions . For purposes of this Article X, references to:

(i) “ affiliate ” means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

(ii) “ associate ,” when used to indicate a relationship with any person, means: (i) any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of twenty percent (20%) or more of any class of voting stock; (ii) any trust or other estate in which such person has at least a twenty percent (20%) beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(iii) “ business combination ,” when used in reference to the Corporation and any interested stockholder of the Corporation, means:

(1) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation (a) with the interested stockholder, or (b) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation paragraph (b) of this Article X is not applicable to the surviving entity;

(2) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the interested stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to ten percent (10%) or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation;

(3) any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any stock of the Corporation or of such subsidiary to the interested stockholder, except:

- (a) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the interested stockholder became such;
- (b) pursuant to a merger under Section 251(g) or Section 253 of the DGCL; (c) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of the Corporation subsequent to the time the interested stockholder became such; (d) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of such stock; or (e) any issuance or transfer of stock by the Corporation; provided , however , that in no case under clauses (c) through (e) of this subsection (3) shall there be an increase in the interested stockholder's proportionate share of the stock of any class or series of the Corporation or of the voting stock of the Corporation (except as a result of immaterial changes due to fractional share adjustments);

(4) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Corporation or of any such subsidiary which is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested stockholder; or

(5) any receipt by the interested stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges, or other financial benefits (other than those expressly permitted in subsections (1) through (4) above) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

(iv) “control,” including the terms “controlling,” “controlled by” and “under common control with,” means the possession, directly or indirectly, of the power to direct

or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise. A person who is the owner of twenty percent (20%) or more of the outstanding voting stock of the Corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing this Article X, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

(v) “interested stockholder” means any person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of fifteen percent (15%) or more of the outstanding voting stock of the Corporation, or (ii) is an affiliate or associate of the Corporation and was the owner of fifteen percent (15%) or more of the outstanding voting stock of the Corporation at any time within the three (3) year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder, and the affiliates and associates of such person; provided, however, that the term “interested stockholder” shall not include (a) the TSG Entities, (b) a stockholder that becomes an interested stockholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that such stockholder ceases to be an interested stockholder and (ii) would not, at any time within the three-year period immediately prior to a business combination between the Corporation and such stockholder, have been an interested stockholder but for the inadvertent acquisition of ownership or (c) any person whose ownership of shares in excess of the fifteen percent (15%) limitation set forth herein is the result of any action taken solely by the Corporation; provided that such person specified in this clause (c) shall be an interested stockholder if thereafter such person acquires additional shares of voting stock of the Corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested stockholder, the voting stock of the Corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of the definition of “owner” below but shall not include any other unissued stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(vi) “owner,” including the terms “own” and “owned,” when used with respect to any stock, means a person that individually or with or through any of its affiliates or associates:

(1) beneficially owns such stock, directly or indirectly; or

(2) has (a) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person’s affiliates or

associates until such tendered stock is accepted for purchase or exchange; or (b) the right to vote such stock pursuant to any agreement, arrangement or understanding; provided , however , that a person shall not be deemed the owner of any stock because of such person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to ten (10) or more persons; or

(3) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (b) of subsection (2) above), or disposing of such stock with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such stock.

(vii) “ person ” means any individual, corporation, partnership, unincorporated association or other entity.

(viii) “ stock ” means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

(ix) “ voting stock ” means stock of any class or series entitled to vote generally in the election of directors.

ARTICLE XI — RENOUNCEMENT OF CORPORATE OPPORTUNITY

(a) Scope . The provisions of this Article XI are set forth to define, to the extent permitted by applicable law, the duties of Exempted Persons (as defined below) to the Corporation with respect to certain classes or categories of business opportunities. “ Exempted Persons ” means each of the TSG Entities (other than the Corporation and its subsidiaries) and all of their respective partners, principals, directors, officers, members, managers and/or employees, including any of the foregoing who serve as officers or directors of the Corporation.

(b) Competition and Allocation of Corporate Opportunities . The Exempted Persons shall not have any fiduciary duty to refrain from engaging directly or indirectly in the same or similar business activities or lines of business as the Corporation or any of its subsidiaries. To the fullest extent permitted by applicable law, the Corporation, on behalf of itself and its subsidiaries, renounces any interest or expectancy of the Corporation and its subsidiaries in, or in being offered an opportunity to participate in, business opportunities that are from time to time available to the Exempted Persons, even if the opportunity is one that the Corporation or its subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, and each such Exempted Person shall have no duty to communicate or offer such business opportunity to the Corporation (and there shall be no restriction on the Exempted Persons using the general knowledge and understanding of the Corporation and the industry in which it operates which it has gained as an Exempted Person in considering and pursuing such opportunities or in making investment, voting, monitoring, governance or other decisions relating to other entities or securities) and, to the fullest extent permitted by applicable law, shall not be liable to the Corporation or any of its subsidiaries or

stockholders for breach of any fiduciary or other duty, as a director or officer or otherwise, by reason of the fact that such Exempted Person pursues or acquires such business opportunity, directs such business opportunity to another person or fails to present such business opportunity, or information regarding such business opportunity, to the Corporation or its subsidiaries, or uses such knowledge and understanding in the manner described herein.

(c) Certain Matters Deemed Not Corporate Opportunities . In addition to and notwithstanding the foregoing provisions of this Article XI, a corporate opportunity shall not be deemed to belong to the Corporation if it is a business opportunity that the Corporation is not financially able or contractually permitted or legally able to undertake, or that is, from its nature, not in the line of the Corporation's business or is of no practical advantage to it or that is one in which the Corporation has no interest or reasonable expectancy.

(d) Amendment of this Article . No amendment or repeal of this Article XI in accordance with the provisions of paragraph (b) of Article IX shall apply to or have any effect on the liability or alleged liability of any Exempted Person for or with respect to any activities or opportunities of which such Exempted Person becomes aware prior to such amendment or repeal. This Article XI shall not limit any protections or defenses available to, or indemnification or advancement rights of, any director or officer of the Corporation under this Restated Certificate of Incorporation, the Corporation's bylaws or applicable law.

ARTICLE XII — EXCLUSIVE JURISDICTION FOR CERTAIN ACTIONS

(a) Exclusive Forum . Unless the Board of Directors or one of its committees otherwise approves, in accordance with Section 141 of the DGCL, this Restated Certificate of Incorporation and the bylaws of the Corporation, to the selection of an alternate forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, the Superior Court of the State of Delaware, or, if the Superior Court of the State of Delaware also does not have jurisdiction, the United States District Court for the District of Delaware) shall, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation arising pursuant to any provision of the DGCL or the Corporation's Restated Certificate of Incorporation or bylaws, (iv) any action to interpret, apply, enforce or determine the validity of this Restated Certificate of Incorporation or the bylaws of the Corporation or (v) any action asserting a claim against the Corporation governed by the internal affairs doctrine (each, a "Covered Proceeding").

(b) Personal Jurisdiction . If any action the subject matter of which is a Covered Proceeding is filed in a court other than the Court of Chancery of the State of Delaware, or, where permitted in accordance with paragraph (a) above, the Superior Court of the State of Delaware or the United States District Court for the District of Delaware, (each, a "Foreign Action") in the name of any person or entity (a "Claiming Party") without the prior approval of

the Board of Directors or one of its committees in the manner described in paragraph (a) above, such Claiming Party shall be deemed to have consented to (i) the personal jurisdiction of the Court of Chancery of the State of Delaware, or, where applicable, the Superior Court of the State of Delaware and the United States District Court for the District of Delaware, in connection with any action brought in any such courts to enforce paragraph (a) above (an “Enforcement Action”) and (ii) having service of process made upon such Claiming Party in any such Enforcement Action by service upon such Claiming Party’s counsel in the Foreign Action as agent for such Claiming Party.

(c) Litigation Costs . Except to the extent prohibited by the DGCL, in the event that a Claiming Party shall initiate, assert, join, offer substantial assistance to or have a direct financial interest in any Foreign Action without the prior approval of the Board of Directors or one of its committees in the manner described in paragraph (a) above, each such Claiming Party shall be obligated jointly and severally to reimburse the Corporation and any officer, director or other employee of the Corporation made a party to such proceeding for all fees, costs and expenses of every kind and description (including, but not limited to, all attorneys’ fees and other litigation expenses) that the parties may incur in connection with such Foreign Action.

(d) Notice and Consent . Any person or entity purchasing or otherwise acquiring any interest in the shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XII and waived any argument relating to the inconvenience of the forums reference above in connection with any Covered Proceeding.

ARTICLE XIII — SEVERABILITY

If any provision or provisions of this Restated Certificate of Incorporation 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 provisions in any other circumstance and of the remaining provisions of this Restated Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Restated Certificate of Incorporation containing any such provision 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 Restated Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Restated Certificate of Incorporation containing any such provision 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 to or for the benefit of the Corporation to the fullest extent permitted by law.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has caused this Certificate of Incorporation to be executed by the officer below this day
of , 2015.

PLANET FITNESS, INC.

By: _____
Name: Christopher Rondeau
Title: Chief Executive Officer

[Signature Page to Restated Certificate of Incorporation]

BYLAWS
OF
PLANET FITNESS, INC.
SECTION 1 - STOCKHOLDERS

Section 1.1. Annual Meeting .

An annual meeting of the stockholders of Planet Fitness, Inc., a Delaware corporation (the “Corporation”), for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting shall be held at the place, if any, within or without the State of Delaware, on the date and at the time that the Board of Directors of the Corporation (the “Board of Directors”) shall each year fix. Unless stated otherwise in the notice of the annual meeting of the stockholders of the Corporation, such annual meeting shall be at the principal office of the Corporation.

Section 1.2. Advance Notice of Nominations and Proposals of Business .

(a) Nominations of persons for election to the Board of Directors and proposals for other business to be transacted by the stockholders at an annual meeting of stockholders may be made (i) pursuant to the Corporation’s notice with respect to such meeting (or any supplement thereto), (ii) by or at the direction of the Board of Directors or any committee thereof or (iii) by any stockholder of record of the Corporation who (A) was a stockholder of record at the time of the giving of the notice contemplated in Section 1.2(b), (B) is entitled to vote at such meeting and (C) has complied with the notice procedures set forth in this Section 1.2. Subject to Section 1.2(i) and except as otherwise required by law, clause (iii) of this Section 1.2(a) shall be the exclusive means for a stockholder to make nominations or propose other business (other than nominations and proposals properly brought pursuant to applicable provisions of federal law, including the Securities Exchange Act of 1934 (as amended from time to time, the “Act”) and the rules and regulations of the Securities and Exchange Commission thereunder) before an annual meeting of stockholders.

(b) Except as otherwise required by law, for nominations or proposals to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 1.2(a), (i) the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation with the information contemplated by Section 1.2(c) including, where applicable, delivery to the Corporation of timely and completed questionnaires as contemplated by Section 1.2(c), and (ii) the business must be a proper matter for stockholder action under the General Corporation Law of the State of Delaware (the “DGCL”). The notice requirements of this Section 1.2 shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Act and such stockholder’s proposal has been included in a proxy statement prepared by the Corporation to solicit proxies for such annual meeting.

(c) To be timely for purposes of Section 1.2(b), a stockholder's notice must be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation on a date (i) not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the anniversary date of the prior year's annual meeting or (ii) if there was no annual meeting in the prior year or if the date of the current year's annual meeting is more than 30 days before or after the anniversary date of the prior year's annual meeting, on or before 10 days after the day on which the date of the current year's annual meeting is first disclosed in a public announcement. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the delivery of such notice. Such notice from a stockholder must state (i) as to each nominee that the stockholder proposes for election or reelection as a director, (A) all information relating to such nominee that would be required to be disclosed in solicitations of proxies for the election of such nominee as a director pursuant to Regulation 14A under the Act and such nominee's written consent to serve as a director if elected, and (B) a description of all direct and indirect compensation and other material monetary arrangements, agreements or understandings during the past three years, and any other material relationship, if any, between or concerning such stockholder, any Stockholder Associated Person (as defined below) or any of their respective affiliates or associates, on the one hand, and the proposed nominee or any of his or her affiliates or associates, on the other hand; (ii) as to each proposal that the stockholder seeks to bring before the meeting, a brief description of such proposal, the reasons for making the proposal at the meeting, the text of the proposal (including the text of any resolutions proposed for consideration and in the event that it includes a proposal to amend the bylaws of the Corporation, the language of the proposed amendment) and any material interest that the stockholder has in the proposal; and (iii) (A) the name and address of the stockholder giving the notice and the Stockholder Associated Persons, if any, on whose behalf the nomination or proposal is made, (B) the class (and, if applicable, series) and number of shares of stock of the Corporation that are, directly or indirectly, owned beneficially or of record by the stockholder or any Stockholder Associated Person, (C) any option, warrant, convertible security, stock appreciation right or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class (or, if applicable, series) of shares of stock of the Corporation or with a value derived in whole or in part from the value of any class (or, if applicable, series) of shares of stock of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (each, a "Derivative Instrument") directly or indirectly owned beneficially or of record by such stockholder or any Stockholder Associated Person and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of stock of the Corporation of the stockholder or any Stockholder Associated Person, (D) any proxy, contract, arrangement, understanding or relationship pursuant to which such stockholder or any Stockholder Associated Person has a right to vote any securities of the Corporation, (E) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or any Stockholder Associated Person is a general partner or beneficially owns, directly or indirectly, an interest in a general partner, (F) any performance-related fees (other than an asset-based fee) that such stockholder or any Stockholder Associated Person is entitled to based on any increase or decrease in the value of the shares of stock of the Corporation or Derivative Instruments, (G) any other information relating to such stockholder or any Stockholder Associated Person, if any,

required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Act and the rules and regulations of the Securities and Exchange Commission thereunder, (H) a representation that the stockholder is a holder of record of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, (I) a certification as to whether or not the stockholder and all Stockholder Associated Persons, have complied with all applicable federal, state and other legal requirements in connection with the stockholder's and each Stockholder Associated Person's acquisition of shares of capital stock or other securities of the Corporation and the stockholder's and each Stockholder Associated Person's acts or omissions as a stockholder (or beneficial owner of securities) of the Corporation, and (J) whether the stockholder intends to deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of the Corporation's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Corporation's voting shares reasonably believed by such stockholder to be sufficient to elect such nominee or nominees or otherwise to solicit proxies or votes from stockholders in support of such proposal or nomination. For purposes of these bylaws, a "Stockholder Associated Person" of any stockholder means (i) any "affiliate" or "associate" (as those terms are defined in Rule 12b-2 under the Act) of such stockholder, (ii) any beneficial owner of any capital stock or other securities of the Corporation owned of record or beneficially by such stockholder, (iii) any person directly or indirectly controlling, controlled by or under common control with any such Stockholder Associated Person referred to in clause (i) or (ii) above, and (iv) any person acting in concert in respect of any matter involving the Corporation or its securities with either such stockholder or any beneficial owner of any capital stock or other securities of the Corporation owned of record or beneficially by such stockholder. In addition, in order for a nomination to be properly brought before an annual or special meeting by a stockholder pursuant to clause (iii) of Section 1.2(a), any nominee proposed by a stockholder shall complete a questionnaire, in a form provided by the Corporation, and deliver a signed copy of such completed questionnaire to the Corporation within 10 days of the date that the Corporation makes available to the stockholder seeking to make such nomination or such nominee the form of such questionnaire. The Corporation may require any proposed nominee to furnish such other information as may be reasonably requested by the Corporation to determine the eligibility of the proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of the nominee. The information required to be included in a notice pursuant to this Section 1.2(c) shall be provided as of the date of such notice and shall be supplemented by the stockholder not later than 10 days after the record date for the determination of stockholders entitled to notice of the meeting to disclose any changes to such information as of the record date. The information required to be included in a notice pursuant to this Section 1.2(c) shall not include any ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is directed to prepare and submit the notice required by this Section 1.2(c) on behalf of a beneficial owner of the shares held of record by such broker, dealer, commercial bank, trust company or other nominee and who is not otherwise affiliated or associated with such beneficial owner.

(d) Subject to the certificate of incorporation of the Corporation (the "Certificate of Incorporation"), Section 1.2(i) and applicable law, only persons nominated in

accordance with procedures stated in this Section 1.2 shall be eligible for election as and to serve as members of the Board of Directors and the only business that shall be conducted at an annual meeting of stockholders is the business that has been brought before the meeting in accordance with the procedures set forth in this Section 1.2. The chairman of the meeting shall have the power and the duty to determine whether a nomination or any proposal has been made according to the procedures stated in this Section 1.2 and, if any nomination or proposal does not comply with this Section 1.2, unless otherwise required by law, the nomination or proposal shall be disregarded.

(e) For purposes of this Section 1.2, “ public announcement ” means disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable news service or in a document publicly filed or furnished by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Act.

(f) Notwithstanding the foregoing provisions of this Section 1.2, a stockholder shall also comply with applicable requirements of the Act and the rules and regulations thereunder with respect to matters set forth in this Section 1.2. Nothing in this Section 1.2 shall affect any rights, if any, of stockholders to request inclusion of nominations or proposals in the Corporation’s proxy statement pursuant to applicable provisions of federal law, including the Act.

(g) Notwithstanding the foregoing provisions of this Section 1.2, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business or does not provide the information required by Section 1.2(c), including any required supplement thereto, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.2, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be 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.

(h) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation’s notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation’s notice of meeting (1) by or at the direction of the Board of Directors or any committee thereof or (2) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 1.2 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting upon such election and who complies with the notice procedures set forth in this Section 1.2. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may

be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (b) of this Section 1.2 shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(i) All provisions of this Section 1.2 are subject to, and nothing in this Section 1.2 shall in any way limit the exercise, or the method or timing of the exercise of, the rights of any person granted by the Corporation to nominate directors, which rights may be exercised without compliance with the provisions of this Section 1.2.

Section 1.3. Special Meetings; Notice .

Special meetings of the stockholders of the Corporation may be called only to the extent and in the manner set forth in the Certificate of Incorporation. Notice of every special meeting of the stockholders of the Corporation shall state the purpose or purposes of such meeting. Except as otherwise required by law, the business conducted at a special meeting of stockholders of the Corporation shall be limited exclusively to the business set forth in the Corporation's notice of meeting, and the individual or group calling such meeting shall have exclusive authority to determine the business included in such notice.

Section 1.4. Notice of Meetings .

Notice of the place, if any, date and time of all meetings of stockholders of the Corporation, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and the means of remote communications, if any, by which stockholders and proxy holders may be deemed present and vote at such meeting, and, in the case of all special meetings of stockholders, the purpose or purposes of the meeting, shall be given, not less than 10 nor more than 60 days before the date on which such meeting is to be held, to each stockholder entitled to notice of the meeting.

The Corporation may postpone or cancel any previously called annual or special meeting of stockholders of the Corporation by making a public announcement (as defined in Section 1.2(e)) of such postponement or cancellation prior to the meeting. When a previously called annual or special meeting is postponed to another time, date or place, if any, notice of the place (if any), date and time of the postponed meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and the means of remote communications, if any, by which stockholders and proxy holders may be deemed present and vote at such postponed meeting, shall be given in conformity with this Section 1.4 unless such meeting is postponed to a date that is not more than 60 days after the date that the initial notice of the meeting was provided in conformity with this Section 1.4.

When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided , however , that if the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting, or if after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting the Board of Directors shall fix a new record date for notice of such adjourned meeting in conformity herewith and such notice shall be given to each stockholder of record entitled to vote at such adjourned meeting as of the record date for notice of such adjourned meeting. At any adjourned meeting, any business may be transacted that may have been transacted at the original meeting.

Section 1.5. Quorum .

At any meeting of the stockholders, the holders of shares of stock of the Corporation entitled to cast a majority of the total votes entitled to be cast by the holders of all outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (“Voting Stock”), present in person or by proxy, shall constitute a quorum for all purposes, unless or except to the extent that the presence of a larger number is required by applicable law or the Certificate of Incorporation. If a separate vote by one or more classes or series is required, the holders of shares entitled to cast a majority of the total votes entitled to be cast by the holders of the shares of the class or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter.

If a quorum shall fail to attend any meeting, the chairman of the meeting may adjourn the meeting to another place, if any, date and time.

Section 1.6. Organization .

The chairman of the Board of Directors or, in his or her absence, the person whom the Board of Directors designates or, in the absence of that person or the failure of the Board of Directors to designate a person, the President of the Corporation or, in his or her absence, the person chosen by the holders of a majority of the shares of capital stock entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders of the Corporation and act as chairman of the meeting. In the absence of the Secretary or any Assistant Secretary of the Corporation, the secretary of the meeting shall be the person the chairman appoints.

Section 1.7. Conduct of Business .

The chairman of any meeting of stockholders of the Corporation shall determine the order of business and the rules of procedure for the conduct of such meeting, including the manner of voting and the conduct of discussion as he or she determines to be in order. The chairman shall have the power to adjourn the meeting to another place, if any, date and time.

The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of the meeting shall have the right and authority to convene and (for any or no reason) to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman 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 chairman 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. The chairman of the meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a nomination or matter of business was not properly brought before the meeting and if such chairman should so determine, such chairman shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 1.8. Proxies; Inspectors .

(a) At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing or by a transmission permitted by applicable law.

(b) Prior to a meeting of the stockholders of the Corporation, the Corporation shall appoint one or more inspectors to act at a meeting of stockholders of the Corporation 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 no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting may, and to the extent required by applicable law, shall, appoint one or more inspectors to act at the meeting. Each inspector, before beginning the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of inspectors. The inspectors shall have the duties prescribed by applicable law.

Section 1.9. Voting .

Except as otherwise required by the rules or regulations of any stock exchange applicable to the Corporation or pursuant to any law or regulation applicable to the Corporation or its securities or by the Certificate of Incorporation or these bylaws, all matters other than the election of directors shall be determined by a majority of the votes cast on the matter affirmatively or negatively. All elections of directors shall be determined by a plurality of the votes cast.

Section 1.10. Stock List .

A complete list of stockholders of the Corporation entitled to vote at any meeting of stockholders of the Corporation, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in the name of such stockholder, shall be open to the examination of any such stockholder, for any purpose germane to a meeting of the stockholders of the Corporation, for a period of at least ten (10) days before the meeting (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting or (ii) during ordinary business hours at the principal place of business of the Corporation; provided , however , if the record date for determining the stockholders entitled to vote is less than ten (10) days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before such meeting date. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Except as otherwise provided by law, the stock ledger shall be the sole evidence of the identity of the stockholders entitled to vote at a meeting and the number of shares held by each stockholder.

SECTION 2 - BOARD OF DIRECTORS

Section 2.1. General Powers and Qualifications of Directors .

The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authorities these bylaws expressly confer upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by the DGCL or by the Certificate of Incorporation or by these bylaws required to be exercised or done by the stockholders. Directors need not be stockholders of the Corporation to be qualified for election or service as a director of the Corporation.

Section 2.2. Removal; Resignation .

The directors of the Corporation may be removed in accordance with the Certificate of Incorporation and the DGCL. Any director may resign at any time upon notice given in writing, including by electronic transmission, to the Corporation.

Section 2.3. Regular Meetings .

Regular meetings of the Board of Directors shall be held at the place (if any), on the date and at the time as shall have been established by the Board of Directors and publicized among all directors. A notice of a regular meeting, the date of which has been so publicized, shall not be required.

Section 2.4. Special Meetings .

Special meetings of the Board of Directors may be called by (i) the chairman or vice-chairman of the Board of Directors, (ii) the Chief Executive Officer of the Corporation, (iii) two or more directors then in office, or, if the Board of Directors then includes a director nominated or designated for nomination by investment funds affiliated with TSG Consumer Partners LLC and their respective successors, Transferees and Affiliates (collectively, the “TSG Entities”), (iv) by any director nominated or designated for nomination by the TSG Entities, and shall be held at the place, if any, on the date and at the time as he, she or they shall fix. Notice of the place, if any, date and time of each special meeting shall be given to each director either (a) by mailing written notice thereof not less than five days before the meeting, or (b) by telephone, facsimile or other means of electronic transmission providing notice thereof not less than twenty-four hours before the meeting. Any and all business may be transacted at a special meeting of the Board of Directors. “Affiliate” means, with respect to any Person, any other Person that controls, is controlled by, or is under common control with such Person; the term “control,” as used in this definition, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and “controlled” and “controlling” have meanings correlative to the foregoing. “Person” means an individual, any 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. “Transferee” means any Person who (i) becomes a beneficial owner of Common Stock upon having purchased such shares of Common Stock from a TSG Entity and (ii) is designated in writing by the transferor as a “Transferee” and a copy of such writing is provided to the Corporation at or prior to the time of such purchase; provided, however, that a purchaser of Common Stock in a registered offering or in a transaction effected pursuant to Rule 144 under the Securities Act of 1933, as amended, (or any similar or successor provision thereto) shall not be a “Transferee.” For the purpose of these bylaws, “beneficial ownership” shall be determined in accordance with Rule 13d-3 promulgated under the Act.

Section 2.5. Quorum .

At any meeting of the Board of Directors, a majority of the total number of directors then in office shall constitute a quorum for all purposes; provided that prior to the first date (the “Trigger Date”) on which the TSG Entities cease collectively to beneficially own (directly or indirectly) more than 50% of the Voting Stock, it shall be necessary to constitute a quorum, in addition to a majority of the total number of directors then in office that (a) at least one director nominated or designated for nomination by the TSG Entities be present (other than attendance for the sole purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened) and (b) for an action of the Board of Directors taken at a meeting to be valid, directors that constitute a quorum must be present (as described in Section 2.6 below) at the time that the vote on such action is taken. For the avoidance of doubt, prior to the Trigger Date, if directors that constitute a quorum are not present (as described in Section 2.6 below) at the time that the vote on any action is taken, a quorum shall not be constituted with respect to such action, and any vote taken with respect to such action shall not be a valid action of the Board of Directors, notwithstanding that a quorum of the Board of Directors may have been present at the commencement of such meeting. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, if any, date or time, without further notice or waiver thereof.

Section 2.6. Participation in Meetings by Conference Telephone or Other Communications Equipment .

Members of the Board of Directors, or of any committee thereof, may participate in a meeting of the Board of Directors or committee thereof by means of conference telephone or other communications equipment by means of which all directors participating in the meeting can hear each other director, and such participation shall constitute presence in person at the meeting.

Section 2.7. Conduct of Business .

At any meeting of the Board of Directors, business shall be transacted in the order and manner that the Board of Directors may from time to time determine, and all matters shall be determined by the vote of a majority of the directors present, provided a quorum is present at the time such matter is acted upon, except as otherwise provided in the Certificate of Incorporation or these bylaws or required by applicable law. The Board of Directors or any committee thereof may take action without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings, or electronic transmission or electronic transmissions, are filed with the minutes of proceedings of the Board of Directors or any committee thereof. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 2.8. Compensation of Directors .

The Board of Directors shall be authorized to fix the compensation of directors. The directors of the Corporation shall be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be reimbursed a fixed sum for attendance at each meeting of the

Board of Directors, paid an annual retainer or paid other compensation, including equity compensation, as the Board of Directors determines. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees shall have their expenses, if any, of attendance of each meeting of such committee reimbursed and may be paid compensation for attending committee meetings or being a member of a committee.

SECTION 3 - COMMITTEES

The Board of Directors may designate committees of the Board of Directors, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board of Directors and shall, for those committees, appoint a director or directors to serve as the member or members, designating, if it desires, other directors as alternate members who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of any member of any committee and any alternate member in his or her place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member. All provisions of this Section 3.1 are subject to, and nothing in this Section 3.1 shall in any way limit the exercise, or method or timing of the exercise of, the rights of any person granted by the Corporation with respect to the existence, duties, composition or conduct of any committee of the Board of Directors.

SECTION 4 - OFFICERS

Section 4.1. Generally .

The officers of the Corporation shall consist of a Chief Executive Officer, President, one or more Vice Presidents, a Secretary, one or more Assistant Secretaries, a Treasurer, one or more Assistant Treasurers, a Chief Financial Officer and other officers as may from time to time be appointed by the Board of Directors. Each officer shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any number of offices may be held by the same person. The compensation of officers appointed by the Board of Directors shall be determined from time to time by the Board of Directors or a committee thereof or by the officers as may be designated by resolution of the Board of Directors.

Section 4.2. President .

Unless otherwise determined by the Board of Directors, the President shall be the Chief Executive Officer of the Corporation. Subject to the provisions of these bylaws and to the direction of the Board of Directors, he or she shall have the responsibility for the general management and control of the business and affairs of the Corporation and shall perform all duties and have all powers that are commonly incident to the office of chief executive or which are delegated to him or her by the Board of Directors. He or she shall have the power to sign all stock certificates, contracts and other instruments of the Corporation that are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the Corporation.

Section 4.3. Vice President .

Each Vice President shall have the powers and duties delegated to him or her by the Board of Directors or the President. One Vice President may be designated by the Board of Directors to perform the duties and exercise the powers of the President in the event of the President's absence or disability.

Section 4.4. Secretary and Assistant Secretaries .

The Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the stockholders and the Board of Directors. He or she shall have charge of the corporate books and shall perform other duties as the Board of Directors may from time to time prescribe.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary, (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

Section 4.5. Chief Financial Officer, Treasurer and Assistant Treasurers .

The Chief Financial Officer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board of Directors or the President. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the Corporation. The Chief Financial Officer shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. The President may direct the Treasurer or any Assistant Treasurer to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

Section 4.6. Delegation of Authority .

The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 4.7. Removal .

The Board of Directors may remove any officer of the Corporation at any time, with or without cause.

Section 4.8. Action with Respect to Securities of Other Companies .

Unless otherwise directed by the Board of Directors, the President, or any officer of the Corporation authorized by the President, shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders or equityholders of, or with respect to any action of, stockholders or equityholders of any other entity in which the Corporation may hold securities and otherwise to exercise any and all rights and powers which the Corporation may possess by reason of its ownership of securities in such other entity.

SECTION 5 - STOCK

Section 5.1. Certificates of Stock .

Shares of the capital stock of the Corporation may be certificated or uncertificated, as provided in the DGCL. Stock certificates shall be signed by, or in the name of the Corporation by, (i) the chairman of the Board (if any) or the vice-chairman of the Board (if any), the President or a Vice President, and (ii) the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer, or the Chief Financial Officer, certifying the number of shares owned by such stockholder. Any signatures on a certificate may be by facsimile.

Section 5.2. Transfers of Stock .

Transfers of stock shall be made only upon the transfer books of the Corporation kept at an office of the Corporation (within or without the State of Delaware) or by transfer agents designated to transfer shares of the stock of the Corporation.

Section 5.3. Lost, Stolen or Destroyed Certificates .

In the event of the loss, theft or destruction of any certificate of stock, another may be issued in its place pursuant to regulations as the Board of Directors may establish concerning proof of the loss, theft or destruction and concerning the giving of a satisfactory bond or indemnity, if deemed appropriate.

Section 5.4. Regulations .

The issue, transfer, conversion and registration of certificates of stock of the Corporation shall be governed by other regulations as the Board of Directors may establish.

Section 5.5. Record Date .

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors 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 of Directors, and which record date shall, unless otherwise required by law, not be more than 60 nor less than 10 days before the date of such meeting. If the Board of Directors 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 of Directors 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 of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day preceding the day on which notice is given, or, if notice is waived, at the close of business on the day 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 of Directors may fix a new record date for determination of stockholders entitled to vote at 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.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which shall not be more than 60 days prior to such other action. If no such 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 of Directors adopts the resolution relating thereto.

SECTION 6 - INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 6.1. Indemnification .

The Corporation shall indemnify, defend and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an “ Indemnitee ”) 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 of the Corporation or an officer of the Corporation elected by the Board of Directors or, while a director of the Corporation or an officer of the Corporation elected by the Board of Directors, is or was serving at the request of the Corporation as a director, officer, employee, member, trustee or agent of another corporation or of a partnership, joint venture, trust, nonprofit entity or other enterprise (including, but not limited to, service with respect to employee benefit plans) (any such entity, an “ Other Entity ”), against all liability and loss suffered (including, but not limited to, expenses (including, but not limited to, attorneys’ fees and expenses), judgments, fines and amounts paid in settlement actually and reasonably incurred by such Indemnitee in connection with such Proceeding). Notwithstanding the preceding sentence, the Corporation shall be required to indemnify an Indemnitee in connection with a Proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such Proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors or the Proceeding (or part thereof) relates to the enforcement of the Corporation’s obligations under this Section 6.1.

Section 6.2. Advancement of Expenses .

The Corporation shall to the fullest extent not prohibited by applicable law pay, on an as-incurred basis, all expenses (including, but not limited to attorneys' fees and expenses) actually and reasonably incurred by an Indemnitee in defending any proceeding, which may be indemnifiable pursuant to this Section 6, in advance of its final disposition. Such advancement shall be unconditional, unsecured and interest free and shall be made without regard to Indemnitee's ability to repay any expenses advanced; 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 unsecured undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Section 6 or otherwise.

Section 6.3. Claims .

If a claim for indemnification (following the final disposition of such proceeding) or advancement of expenses under this Section 6 is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the Corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any such action the Corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Insurance .

The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, trustee, employee, member or agent of the Corporation, or was serving at the request of the Corporation as a director, officer, trustee, employee, member or agent of an Other Entity, against any liability asserted against the person and incurred by the person in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Section 6 or the DGCL.

Section 6.5. Non-Exclusivity of Rights; Other Indemnification .

The rights conferred on any Indemnitee by this Section 6 are not exclusive of other rights arising under any bylaw, agreement, vote of directors or stockholders or otherwise, and shall inure to the benefit of the heirs and legal representatives of such Indemnitee. This Section 6 shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to Indemnites or persons other than Indemnites when and as authorized by appropriate corporate action, including without limitation by separate agreement with the Corporation.

Section 6.6. Amounts Received from an Other Entity .

Subject to any written agreement between the Indemnitee and the Corporation to the contrary, the Corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at the Corporation's request as a director, officer, employee or agent of an Other Entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such Other Entity.

Section 6.7. Amendment or Repeal .

Any right to indemnification or to advancement of expenses of any Indemnitee arising hereunder shall not be eliminated or impaired by an amendment to or repeal of this Section 6 after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit, proceeding or other matter for which indemnification or advancement of expenses is sought.

Section 6.8. Reliance .

Indemnitees who after the date of the adoption of this Section 6 become or remain an Indemnitee described in Section 6.1 will be conclusively presumed to have relied on the rights to indemnity, advancement of expenses and other rights contained in this Section 6 in entering into or continuing the service. The rights to indemnification and to the advancement of expenses conferred in this Section 6 will apply to claims made against any Indemnitee described in Section 6.1 arising out of acts or omissions that occurred or occur either before or after the adoption of this Section 6 in respect of service as a director or officer of the corporation or other service described in Section 6.1.

Section 6.9. Successful Defense .

In the event that any proceeding to which an Indemnitee is a party is resolved in any manner other than by adverse judgment against the Indemnitee (including, without limitation, settlement of such proceeding with or without payment of money or other consideration) it shall be presumed that the Indemnitee has been successful on the merits or otherwise in such proceeding for purposes of Section 145(c) of the DGCL. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

SECTION 7 - NOTICES

Section 7.1. Notices .

Except as otherwise provided herein or permitted by applicable law, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the Corporation. If mailed, notice to a stockholder of the Corporation shall be deemed given when deposited in the mail, postage prepaid, directed to a stockholder at such stockholder's address as it appears on the records of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders of the Corporation may be given by electronic transmission in the manner provided in Section 232 of the DGCL.

Section 7.2. Waivers .

A written waiver of any notice, signed by a stockholder or director, or a waiver by electronic transmission by such person or entity, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person or entity. Neither the business nor the purpose of any meeting need be specified in the waiver. Attendance at any meeting shall constitute waiver of notice except attendance for the sole purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 8 - MISCELLANEOUS

Section 8.1. Corporate Seal .

The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary of the Corporation. If and when so directed by the Board of Directors, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary, Assistant Treasurer or the Chief Financial Officer.

Section 8.2. Reliance upon Books, Reports, and Records .

Each director and each member of any committee designated by the Board of Directors of the Corporation shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books and records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers, agents or employees, or committees of the Board of Directors so designated, or by any other person or entity as to matters which such director or committee member reasonably believes are within such other person's or entity's professional or expert competence and that has been selected with reasonable care by or on behalf of the Corporation.

Section 8.3. Fiscal Year .

The fiscal year of the Corporation shall be as fixed by the Board of Directors.

Section 8.4. Time Periods .

In applying any provision of these bylaws that requires that an act be done or not be done a specified number of days before an event or that an act be done during a specified number of days before an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

SECTION 9 - AMENDMENTS

These bylaws may be altered, amended or repealed in accordance with the Certificate of Incorporation and the DGCL.

SECTION 10 - SEVERABILITY

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 provisions in any other circumstance and of the remaining provisions of these bylaws (including, without limitation, each portion of any paragraph of these bylaws containing any such provision 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 these bylaws (including, without limitation, each such portion of any paragraph of these bylaws containing any such provision 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 to or for the benefit of the Corporation to the fullest extent permitted by law.



AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

March 31, 2014

among

PLANET INTERMEDIATE, LLC,
as Holdings

PLANET FITNESS HOLDINGS, LLC,
as Borrower

The Other Loan Parties Party Hereto

The Lenders Party Hereto

- and-

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

J.P. MORGAN SECURITIES LLC, BMO CAPITAL MARKETS CORP., GUGGENHEIM
SECURITIES HOLDINGS, LLC, JEFFERIES FINANCE LLC and U.S. BANK NATIONAL
ASSOCIATION,
as Joint Bookrunners and Joint Lead Arrangers

TABLE OF CONTENTS

	<u>Page</u>
Article I Definitions	1
SECTION 1.01 Defined Terms	1
SECTION 1.02 Classification of Loans and Borrowings	34
SECTION 1.03 Terms Generally	34
SECTION 1.04 Accounting Terms; GAAP	34
SECTION 1.05 Pro Forma Adjustments for Acquisitions and Dispositions	35
SECTION 1.06 Currency Generally	36
Article II The Credits	36
SECTION 2.01 Commitments	36
SECTION 2.02 Loans and Borrowings	36
SECTION 2.03 Requests for Borrowings	37
SECTION 2.04 [Reserved]	38
SECTION 2.05 Swingline Loans	38
SECTION 2.06 Letters of Credit	39
SECTION 2.07 Funding of Borrowings	43
SECTION 2.08 Interest Elections	43
SECTION 2.09 Termination and Reduction of Commitments	44
SECTION 2.10 Repayment and Amortization of Loans; Evidence of Debt	45
SECTION 2.11 Prepayment of Loans	46
SECTION 2.12 Fees	48
SECTION 2.13 Interest	49
SECTION 2.14 Alternate Rate of Interest	50
SECTION 2.15 Increased Costs	50
SECTION 2.16 Break Funding Payments	51
SECTION 2.17 Taxes	52
SECTION 2.18 Payments Generally; Allocation of Proceeds; Sharing of Set-offs	55
SECTION 2.19 Mitigation Obligations; Replacement of Lenders	57
SECTION 2.20 Defaulting Lenders	58
SECTION 2.21 Returned Payments	60
SECTION 2.22 Banking Services and Swap Agreements	60
SECTION 2.23 Increase in Commitments	60
SECTION 2.24 Refinancing Debt	64
SECTION 2.25 Extension of Loans	68

Article III Representations and Warranties	70
SECTION 3.01 Organization; Powers	70
SECTION 3.02 Authorization; Enforceability	70
SECTION 3.03 Governmental Approvals; No Conflicts	71
SECTION 3.04 Financial Condition; No Material Adverse Change	71
SECTION 3.05 Properties	71
SECTION 3.06 Litigation and Environmental Matters	72
SECTION 3.07 Compliance with Laws and Agreements	72
SECTION 3.08 Investment Company Status	72
SECTION 3.09 Taxes	72
SECTION 3.10 ERISA	72
SECTION 3.11 Disclosure	72
SECTION 3.12 No Default	73
SECTION 3.13 Solvency	73
SECTION 3.14 Margin Regulations	73
SECTION 3.15 Capitalization and Subsidiaries	73
SECTION 3.16 Security Interest in Collateral	73
SECTION 3.17 Employment Matters	74
SECTION 3.18 USA PATRIOT Act	74
SECTION 3.19 Embargoed Person	74
SECTION 3.20 [Reserved]	75
SECTION 3.21 Status as Senior Debt	75
Article IV Conditions	75
SECTION 4.01 Effective Date	75
SECTION 4.02 Each Credit Event	77
Article V Affirmative Covenants	78
SECTION 5.01 Financial Statements and Other Information	78
SECTION 5.02 Notices of Material Events	80
SECTION 5.03 Existence; Conduct of Business	81
SECTION 5.04 Payment of Obligations	81
SECTION 5.05 Maintenance of Properties	81
SECTION 5.06 Books and Records; Inspection Rights	81
SECTION 5.07 Compliance with Laws	82
SECTION 5.08 Use of Proceeds	82
SECTION 5.09 Insurance	82

SECTION 5.10 Maintenance of Ratings	82
SECTION 5.11. Post-Closing Actions	82
SECTION 5.12 Additional Collateral; Further Assurances	82
SECTION 5.13 Designation of Unrestricted Subsidiaries	84
Article VI Negative Covenants	84
SECTION 6.01 Indebtedness	84
SECTION 6.02 Liens	87
SECTION 6.03 Fundamental Changes	90
SECTION 6.04 Investments, Loans, Advances, Guarantees and Acquisitions	91
SECTION 6.05 Asset Sales	94
SECTION 6.06 Sale and Leaseback Transactions	95
SECTION 6.07 Swap Agreements	96
SECTION 6.08 Restricted Payments; Certain Payments of Indebtedness	96
SECTION 6.09 Transactions with Affiliates	97
SECTION 6.10 Restrictive Agreements	98
SECTION 6.11 Amendment of Material Documents	99
SECTION 6.12 Financial Covenant	99
Article VII Events of Default	99
SECTION 7.01 Events of Default	99
SECTION 7.02 Events of Default	102
Article VIII The Administrative Agent	103
SECTION 8.01 Appointment	103
SECTION 8.02 Rights as a Lender	103
SECTION 8.03 Duties and Obligations	103
SECTION 8.04 Reliance	104
SECTION 8.05 Actions through Sub-Agents	104
SECTION 8.06 Resignation	104
SECTION 8.07 Intercreditor and Subordination Agreements	105
SECTION 8.07 Non-Reliance	105
SECTION 8.07 Administrative Agent May File Proof of Claim	106
Article IX Miscellaneous	106
SECTION 9.01 Notices	106
SECTION 9.02 Waivers; Amendments	108
SECTION 9.03 Expenses; Indemnity; Damage Waiver	110
SECTION 9.04 Successors and Assigns	112

SECTION 9.05 Survival	117
SECTION 9.06 Counterparts; Integration; Effectiveness	117
SECTION 9.07 Severability	117
SECTION 9.08 Right of Setoff	118
SECTION 9.09 Governing Law; Jurisdiction; Consent to Service of Process	118
SECTION 9.10 WAIVER OF JURY TRIAL	118
SECTION 9.11 Headings	119
SECTION 9.12 Confidentiality	119
SECTION 9.13 Several Obligations; Nonreliance; Violation of Law	120
SECTION 9.14 USA PATRIOT Act	120
SECTION 9.15 Disclosure	120
SECTION 9.16 Appointment for Perfection	120
SECTION 9.17 Interest Rate Limitation	120
SECTION 9.18 No Advisory or Fiduciary Responsibility	120
SECTION 9.19 Authorization to Distribute Certain Materials to Public-Siders	121
SECTION 9.20 No Novation	121
Article X Loan Guaranty	122
SECTION 10.01 Guaranty	122
SECTION 10.02 Guaranty of Payment	122
SECTION 10.03 No Discharge or Diminishment of Loan Guaranty	122
SECTION 10.04 Defenses Waived	123
SECTION 10.05 Rights of Subrogation	123
SECTION 10.06 Reinstatement; Stay of Acceleration	123
SECTION 10.07 Information	124
SECTION 10.08 Continuing Guaranty	124
SECTION 10.09 Taxes	124
SECTION 10.10. Maximum Liability	124
SECTION 10.11 Contribution	125
SECTION 10.12 Liability Cumulative	125

SCHEDULES:

Commitment Schedule

Schedule 1.01	Immaterial Subsidiaries
Schedule 3.05(a)	Property: Real Property
Schedule 3.05(b)	Property: Intellectual Property
Schedule 3.06(a)	Disclosed Matters: Litigation
Schedule 3.06(b)	Disclosed Matters: Environmental Matters
Schedule 3.15	Capitalization and Subsidiaries
Schedule 5.11	Post Closing Actions
Schedule 6.01	Existing Indebtedness
Schedule 6.02	Existing Liens
Schedule 6.04	Existing Investments
Schedule 6.05(p)	Dispositions
Schedule 6.09	Affiliate Transactions
Schedule 6.10	Existing Restrictions

EXHIBITS:

Exhibit A	Assignment and Assumption
Exhibit B	Form of Borrowing Request
Exhibit C-1	Form of U.S. Tax Compliance Certificate (For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)
Exhibit C-2	Form of U.S. Tax Compliance Certificate (For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)
Exhibit C-3	Form of U.S. Tax Compliance Certificate (For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)
Exhibit C-4	Form of U.S. Tax Compliance Certificate (For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)
Exhibit D	Financial Officer Certificate: Compliance Certificate
Exhibit E	Joinder Agreement
Exhibit F	Form of Global Intercompany Note
Exhibit G-1	Opinion of Ropes & Gray LLP, Counsel for the Loan Parties
Exhibit G-2	Opinion of Pierce Atwood LLP, Local Counsel for the Loan Parties

AMENDED AND RESTATED CREDIT AGREEMENT dated as of March 31, 2014 (as it may be amended or modified from time to time, this “Agreement”), among PLANET INTERMEDIATE, LLC, a Delaware limited liability company (“Holdings”), PLANET FITNESS HOLDINGS, LLC, a New Hampshire limited liability company (the “Borrower”), the other Loan Parties party hereto, the Lenders party hereto, and JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the “Administrative Agent”). The parties hereto agree as follows:

WHEREAS, the Borrower, Holdings, the Loan Guarantors, the Administrative Agent and the Lenders (as defined in the Existing Credit Agreement (as defined below)) are party to the Existing Credit Agreement;

WHEREAS, the Borrower has requested that the Administrative Agent and the Lenders amend and restate the Existing Credit Agreement to, among other things, provide for (a) \$430,000,000 senior secured credit facilities and (b) permit the Effective Date Transactions, in each case, on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Borrower, Holdings and the other Loan Guarantor have agreed to secure all of their Obligations under the Loan Documents by granting to the Administrative Agent, for the benefit of the Administrative Agent, the Lenders and the other Secured Parties, a first priority security interest in the Collateral;

WHEREAS, the Lenders are willing to make certain loans and other extensions of credit to the Borrower of up to such amounts upon the terms and conditions set forth herein; and

WHEREAS, all Schedules, Exhibits and other attachments hereto, or expressly identified to this Agreement, are incorporated herein by reference, and taken together with this Agreement, shall constitute but a single agreement. These Recitals shall be construed as part of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms . As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, is bearing interest at a rate determined by reference to the Alternate Base Rate.

“Account” has the meaning assigned to such term in the Security Agreement.

“Account Debtor” means any Person obligated on an Account.

“Acquisition” means the acquisition of the Borrower by Holdings pursuant to the Acquisition Agreement, including related transactions and any transactions consummated prior to December 14, 2012.

“ Acquisition Agreement ” means the Membership Interest Purchase Agreement, dated as of October 23, 2012, among TSG PF Investment L.L.C., Holdings and the sellers and the other parties party thereto.

“ Additional Lender ” has the meaning assigned to such term in Section 2.23 .

“ Adjusted LIBO Rate ” means, with respect to any Eurodollar Borrowing for any Interest Period an interest rate per annum equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; provided that in respect of the Term Loans only, Adjusted LIBO Rate shall not be less than 1.00% per annum.

“ Administrative Agent ” shall have the meaning provided in the first paragraph hereof.

“ Administrative Questionnaire ” means an administrative questionnaire in a form supplied by the Administrative Agent.

“ Affiliate ” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the specified Person.

“ Affiliated Lender ” has the meaning assigned to the term in Section 9.04 .

“ Aggregate Credit Exposure ” means, at any time, the aggregate Credit Exposure of all the Lenders at such time.

“ Aggregate Revolving Exposure ” means, at any time, the aggregate Revolving Exposure of all the Lenders at such time.

“ All-In Yield ” shall mean, as to any Indebtedness, the yield thereof, whether in the form of interest rate, margin, original issue discount, upfront fees, a Adjusted LIBO Rate floor or Alternate Base Rate floor, or otherwise, in each case, incurred or payable by the Borrower or another Loan Party generally to all lenders of such Indebtedness; provided that original issue discount and upfront fees shall be equated to interest rate assuming a 4-year life to maturity on a straight-line basis (e.g. 100 basis points of original issue discount equals 25 basis points of interest rate margin for a four year average life to maturity); and provided , further , that “All-In Yield” shall not include arrangement fees, structuring fees, commitment fees, underwriting fees and similar fees not generally shared with all lenders in the primary syndication of such Indebtedness.

“ Alternate Base Rate ” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the Adjusted LIBO Rate for a one-month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on the Reuters Screen LIBOR01 Page (or on any successor or substitute page) at approximately 11:00 a.m. London time on such day (without any rounding). Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

“ Applicable Percentage ” means, at any time with respect to any Revolving Lender, a percentage equal to a fraction, the numerator of which is such Lender’s Revolving Commitment and the denominator of which is the aggregate Revolving Commitments, in each case at such time; provided that for purposes of Section 2.21 when a Defaulting Lender shall exist, “Applicable Percentage” shall mean the percentage of the aggregate Revolving Commitments (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment. If, however, the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“ Applicable Rate ” means a percentage per annum equal to: (a) (i) until delivery of financial statements and a related Compliance Certificate for the fiscal quarter ending December 31, 2014 pursuant to Section 5.01, in respect of Term Loans that are (A) Eurodollar Loans, 3.75% and (B) ABR Loans, 2.75% (each of clauses (A) or (B), as applicable the “ Term Loan Initial Margin ”) and (ii) thereafter, in connection with Term Loans (A) the Term Loan Initial Margin or (B) so long as the Total Leverage Ratio is less than 3.75 to 1.00, (1) that are Eurodollar Loans, 3.50% and (2) that are ABR Loans, 2.50% and (b) in respect of Revolving Loans and Revolving Commitments means, for any day, the applicable rate per annum set forth below under the caption “Revolving Commitment ABR Spread”, “Revolving Commitment Eurodollar Spread” or “Commitment Fee Rate”, as the case may be, based upon the Borrower’s Total Net Leverage Ratio as of the most recent determination date, provided that until the delivery to the Administrative Agent, pursuant to Section 5.01, of the Borrower’s consolidated financial information for the Borrower’s first fiscal quarter ending after the Effective Date, the “Applicable Rate” in respect of Revolving Loans and Revolving Commitments shall be the applicable rates per annum set forth below in Category 1:

<u>Total Net Leverage Ratio</u>	<u>Revolving Commitment ABR Spread</u>	<u>Revolving Commitment Eurodollar Spread</u>	<u>Commitment Fee Rate</u>
Category 1			
> 4.00 to 1.00	2.25%	3.25%	0.45%
Category 2			
< 4.00 to 1.00 but			
> 3.00 to 1.00	2.0%	3.00%	0.40%
Category 3			
< 3.00 to 1.00	1.75%	2.75%	0.35%

For purposes of the foregoing clauses (a) and (b), (i) the Applicable Rate shall be determined as of the end of each fiscal quarter of the Borrower, based upon the Borrower’s annual or quarterly consolidated financial statements delivered pursuant to Section 5.01 and (ii) each change in the Applicable Rate resulting from a change in the Total Leverage Ratio or Total Net Leverage Ratio, as applicable, shall be effective during the period commencing on and including the date of delivery to the Administrative Agent of such consolidated financial statements indicating such change and ending on the date immediately preceding the effective date of the next such change, provided that (x) at any time that an Event of Default under Section 7.01(a), (b), (h) or (i) has occurred and is continuing or (y) at the option of the Administrative Agent or at the request of the Required Lenders, if the Borrower fails to deliver the annual or quarterly consolidated financial statements required to be delivered by it pursuant to Section 5.01, (x) the Total Leverage Ratio shall with respect to Term Loans be deemed to be equal to or greater than 3.75:1.00 and (y) the Total Net Leverage Ratio shall with respect to Revolving Loans and Revolving Commitments be deemed to be in Category 1, in each case, during the period from the expiration of the time for delivery thereof until such consolidated financial statements are delivered.

If at any time the Administrative Agent reasonably determines that the financial statements upon which the Applicable Rate was determined were incorrect (whether based on a restatement, fraud or otherwise), the Borrower shall be required to retroactively pay any additional amount that the Borrower would have been required to pay if such financial statements had been accurate at the time they were delivered.

“ Approved Fund ” has the meaning assigned to the term in Section 9.04 .

“ Assignment and Assumption ” means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“ Availability ” means, at any time, an amount equal to (a) the aggregate Revolving Commitments minus (b) the Aggregate Revolving Exposure.

“ Availability Period ” means the period from and including the Effective Date to but excluding the earlier of the Revolving Credit Maturity Date and the date of termination of the Revolving Commitments.

“ Available Amount ”, shall mean, on any date (the “ Determination Date ”), an amount equal to (a) the sum of, without duplication, cumulative amount equal to (which shall not be less than zero) (i) 50% of the Net Income of Holdings for the period (taken as one accounting period) from and after April 1, 2014 to the end of Holdings’ most recently ended fiscal quarter for which financial statements are required to be delivered under Section 5.01 , or, in the case such Net Income for such period is a deficit, minus 100% of such deficit, plus (ii) the cash proceeds of new public or private equity issuances of any parent of the Borrower or the Borrower (other than (x) the proceeds of Disqualified Capital Stock and (y) any contribution as a Cure Amount) to the extent the proceeds thereof are contributed to the Borrower as Qualified Capital Stock, plus , (iii) 100% of the aggregate amount of contributions to the common capital of the Borrower in respect of Qualified Capital Stock received in cash after the Effective Date (other than (x) the proceeds of Disqualified Capital Stock and (y) any contribution as a Cure Amount), (iv) the net cash proceeds to the Borrower and its Restricted Subsidiaries of sales of Investments made using the Available Amount, plus (v) returns, profits, distributions and similar amounts received in cash or cash equivalents by the Borrower and its Restricted Subsidiaries on Investments made using the Available Amount plus (vi) the aggregate amount of any Retained Declined Proceeds since the Effective Date minus (b) the sum of, without duplication: (i) the aggregate amount of Restricted Payments made by Holdings pursuant to Section 6.08(a)(vi) and Section 6.08(b)(v) on or prior to the Determination Date, plus (ii) the aggregate amount of any Investments made by the Borrower or any of its Restricted Subsidiaries pursuant to Section 6.04(m) on or prior to the Determination Date. For the avoidance of doubt, the Available Amount shall be permitted to be used as provided in this Agreement subject to compliance with Available Amount Usage Conditions for each such usage.

“ Available Amount Usage Conditions ” means, collectively, the satisfaction of each of the following conditions: (a) (i) with respect to the making of any Restricted Payments, the absence of any continuing Event of Default and (ii) with respect to the making of any Investments, (A) at the option of the Borrower in connection with an acquisition, both (x) the absence of any continuing Event of Default at the time of execution of the applicable contract or agreement for such Investment and (y) the absence of any continuing Event of Default under Sections 7.01(a) , (b) , (h) or (i) at the time of making such acquisition or (B) otherwise, the absence of any continuing Event of Default at the time of making such Investment; (b) at the time of and after giving effect to the usage of any portion of Available Amount for any Investments, pro forma compliance with the Total Net Leverage Ratio test set forth in Section 6.12 ; and (c) at the time of any Investment or Restricted Payment in excess of \$2,000,000, delivery by the Borrower to the Administrative Agent, of a certificate of a responsible officer demonstrating the calculation of the Available Amount both before and after giving effect to the usage of Available Amount.

“ Banking Services ” means each and any of the following bank services provided to any Loan Party or any Restricted Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, “commercial credit cards” and purchasing cards), (b) stored value cards, (c) merchant processing services, and (d) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

“ Banking Services Obligations ” means any and all obligations of the Loan Parties, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

“ Bankruptcy Event ” means, with respect to any Person, when such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided , further , that such ownership interest does not result in or provide such Person 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 Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“ Beneficial Owner ” means, with respect to any U.S. Federal withholding Tax, the beneficial owner, for U.S. Federal income tax purposes, to whom such Tax relates.

“ Board ” means the Board of Governors of the Federal Reserve System of the United States of America.

“ 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.

“ Borrower ” shall have the meaning provided in the first paragraph hereof.

“ Borrowing ” means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect, and (b) a Term Loan made on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect, and (c) a Swingline Loan.

“ Borrowing Request ” means a request by the Borrower for a Borrowing in accordance with Section 2.03 and substantially in the form of Exhibit B or such other form approved by the Administrative Agent.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Change in Control” means (a) at any time prior to a Qualifying IPO (i) Holdings shall cease to own 100% of the outstanding voting Equity Interests of the Borrower on a fully diluted basis; (ii) Permitted Holders shall cease to beneficially own, directly or indirectly (and retain the right to vote), free and clear of all Liens or other encumbrances, at least a majority of the outstanding voting Equity Interests of Holdings on a fully diluted basis; or (iii) the acquisition of the power to elect a majority of the Board of Directors of Holdings by any Person or group other than Permitted Holders and (b) at any time after a Qualifying IPO, (x) any Person (other than the Permitted Holders) or (y) Persons (other than the Permitted Holders) constituting a “group” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), but excluding any employee benefit plan of such Person and its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, except that for purposes of this clause such Person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), becomes the “beneficial owner” (as defined in Rules 13(d)-3 and 13(d)-5 of the Exchange Act), directly or indirectly, of outstanding Equity Interests of the Borrower 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 Borrower beneficially owned, directly or indirectly, in the aggregate by the Permitted Holders, or (iii) Holdings shall cease to own 100% of the outstanding voting Equity Interests of the Borrower on a fully diluted basis.

“Change in Law” means the occurrence after the date of this Agreement (a) the adoption or taking effect of any law, rule, regulation or treaty, (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, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided however, that notwithstanding anything herein to the contrary (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case arising under clauses (i) or (ii) be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Charges” has the meaning assigned to such term in Section 9.17.

“Class”, when used in reference to (a) 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 (b) any Lender, refers to whether such Lender has a Loan or Commitment of a particular Class.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” means any and all “Collateral”, as defined in any Collateral Document and any and all other property of any Loan Party, now existing or hereafter acquired, that may at any time be, become or purported to be, subject to a security interest or Lien in favor of the Administrative Agent, on behalf of itself and the Lenders and other holders of the Secured Obligations, to secure the Secured Obligations.

“Collateral Access Agreement” has the meaning assigned to such term in the Security Agreement.

“Collateral Documents” means, collectively, the Security Agreement, the Mortgages (if any) and any other documents pursuant to which a Person grants a Lien upon any real or personal property as security for payment of the Secured Obligations.

“Commitment” means, with respect to each Lender, the sum of such Lender’s Revolving Commitment and Term Commitment. The initial amount of each Lender’s Commitment is set forth on the Commitment Schedule, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable.

“Commitment Schedule” means the Schedule attached hereto identified as such.

“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.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated Total Assets” means, as of any date, the assets and properties of the Borrower and its Restricted Subsidiaries as of such date, determined on a consolidated basis in accordance with GAAP as set forth on the most recent consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 (and in the case of any determination relating to the permissibility of any proposed transaction hereunder, shall be calculated on a pro forma basis for any (i) acquisitions, (ii) dispositions and (iii) designations of a Subsidiary pursuant to Section 5.13 since such balance sheet date, including the proposed transaction (if applicable)).

“Control” means the possession, directly or indirectly, of the power to appoint the Board of Directors of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Controlled Affiliate” has the meaning assigned to such term in Section 3.18.

“Credit Exposure” means, as to any Lender at any time, the sum of (a) such Lender’s Revolving Exposure at such time plus (b) an amount equal to the aggregate principal amount of its Term Loans outstanding at such time.

“Credit Party” means the Administrative Agent, the Issuing Bank, the Swingline Lender or any other Lender.

“Cure Amount” has the meaning ascribed to it in Section 7.02.

“Cure Right” has the meaning ascribed to it in Section 7.02.

“ Default ” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“ Defaulting Lender ” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s reasonable determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s reasonable determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after written request by a Credit Party, acting in good faith, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such receipt of such written confirmation by the Administrative Agent and the Borrower, or (d) has, or has a direct or indirect parent company that has, become the subject of a Bankruptcy Event, unless, in the case of this clause (d), the Borrower and the Administrative Agent are reasonably satisfied that such Lender will remain capable of performing its obligations hereunder; 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. If the Swingline Lender or the Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Swingline Lender or the Issuing Bank, as the case may be, shall have entered into arrangements with the Borrower or such Lender, satisfactory to the Swingline Lender or the Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

“ Disclosed Matters ” means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.06 .

“ Disqualified Capital Stock ” means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, (a) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part within ninety one (91) days of the Term Maturity Date, (b) is secured by any assets of Holdings, the Borrower or any of its respective Restricted Subsidiaries, (c) is exchangeable or convertible at the option of the holder into debt securities or any other form of Indebtedness of Holdings, the Borrower or any of its respective Restricted Subsidiaries or (d) provides for the mandatory payment of dividends regardless of whether or not the board of directors has declared any dividends.

“ Disqualified Institutions ” means (i) those banks, financial institutions and other institutional lenders and persons (or related funds of any such persons) identified in writing by the Borrower prior to March 7, 2014 and (ii) any competitor of the Borrower and its subsidiaries and any controlled affiliate of such competitor identified in writing by the Borrower from time to time (other than their financial investors that are not operating companies or affiliates of operating companies and other than any affiliate that is a bona fide diversified debt fund that invests in newly issued syndicated loans and not in distressed

debt or “opportunities”); provided that a Person that is identified in writing pursuant to clause (ii) shall only be deemed a Disqualified Institution from and after the date it has been identified in writing as a Disqualified Institution and any assignments and/or participations made to such Person prior to such time shall not be invalidated as a result of such designation; provided further that, a Person shall only be deemed to be a Disqualified Institution if a list of Disqualified Institution has been made available to all Lenders by the Borrower.

“ Disregarded Domestic Subsidiary ” means any domestic Restricted Subsidiary that either (A) is a direct or indirect Restricted Subsidiary of a foreign Restricted Subsidiary or (B) substantially all of the assets of which consist directly or indirectly of interests in one or more foreign Restricted Subsidiaries.

“ Document ” has the meaning set forth in the Security Agreement.

“ dollars ” or “ \$ ” refers to lawful money of the United States of America.

“ EBITDA ” means, for any period, Net Income for such period plus (a) without duplication and solely to the extent deducted (and not added back or excluded) in determining Net Income for such period (other than clause (vi) and (vii)), the sum of (i) Interest Expense for such period, (ii) income tax expense for such period, including, without limitation, franchise or similar taxes, net of tax benefits (other than benefits payable to the sellers pursuant to the Acquisition Agreement), (iii) all amounts attributable to depreciation and amortization expense for such period, (iv) any other non-cash losses, expenses or charges for such period (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (1) the Borrower may determine not to add back such non-cash charge in the current period and (2) 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 EBITDA to such extent, (v) fees (including termination fees) and expenses paid or accrued pursuant to the Management Agreement, (vi) cash received in respect of a non-cash gain deducted from EBITDA pursuant to clause (b)(ii) below in a prior period, (vii) the amount of “run rate” net cost savings, operating expense reductions and revenue increases projected by the Borrower in good faith to result from actions taken prior to the date of determination of EBITDA (and which revenue increases must result from written contractual agreements entered into by the Borrower and its Subsidiaries with franchisees, vendors and other third parties prior to the date of determination of EBITDA) (calculated on a pro forma basis as though such cost savings, operating expense reductions and revenue increases, as applicable, had been realized on the first day of the period for which EBITDA is being determined and if such cost savings, operating expense reductions and revenue increases, as applicable, were realized during the entirety of such period), net of the amount of actual benefits realized during such period from such agreements that, a Financial Officer of the Borrower shall have certified to the Administrative Agent that such cost savings, operating expense reductions and synergies are reasonably identifiable and factually supportable (it being understood that any such adjustments shall be without duplication of cost savings or additional costs already deducted from net income, or included as an addback to EBITDA, for such period, including any Pro Forma Adjustments), (viii) the amount of any other extraordinary or non-recurring fees or cash charges, losses or expenses for such period, (ix) the amount of any severance costs, restructuring costs and business optimization expenses for such period, (x) any fees, charges and other expenses (including severance costs) made or incurred during such period, or any amortization thereof for such period, in connection with any acquisition or Investment, the Transactions, the Acquisition, the Effective Date Transactions, the issuance, repayment or amendment of Indebtedness (whether or not consummated), any disposition, or issuance of capital stock, including the capital stock of any parent company, and including, in each case, permitted to be incurred by this Agreement and whether or not successful or completed (that are paid or otherwise accounted for within 365 days of such transactions (or the proposed transactions to the extent not consummated), (xi) pre-opening and opening costs and expenses (including related consulting fees) not to exceed the greater of (A) \$5.0 million and (B) 6.25%

of EBITDA for such period (giving pro forma effect to a Specified Transaction to the extent required or permitted pursuant to Section 1.05 and determined prior to giving effect to any adjustments pursuant to this clause (xi)), (xii) cash losses realized upon the sale, disposition or discontinuance of assets that are not sold or otherwise disposed of in the ordinary course of business, (xiii) cash payments in respect of earn outs and contingent consideration obligations (including to the extent accounted for as bonus or otherwise), minus (b) without duplication and to the extent included in Net Income (other than clause (i)), (i) any cash payments made during such period in respect of non-cash charges described in clause (a) taken in a prior period, (ii) non-cash items increasing such Net Income for such period (other than any items which represent the reversal of any accrual of, or cash reserve for, anticipated charges in any prior period where such accrual or reserve is no longer required) and (iii) cash gains realized upon the sale, disposition or discontinuance of assets that are not sold or otherwise disposed of in the ordinary course of business, all calculated for the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP. Notwithstanding anything to the contrary herein, (x) for any period, the aggregate amount of adjustments pursuant to clauses (a)(vii) , (ix) and (xi) of the definition of EBITDA, shall not exceed 15% of EBITDA for such period (giving pro forma effect to a Specified Transaction to the extent required or permitted pursuant to Section 1.05 and determined prior to giving effect to any adjustments pursuant to clauses (a)(vii) , (ix) and (xi) of the definition of EBITDA).

“ Effective Date ” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

“ Effective Date Dividend ” has the meaning assigned to such term in the definition of “Effective Date Transactions”.

“ Effective Date Purchase ” has the meaning assigned to such term in the definition of “Effective Date Transactions”

“ Effective Date Transactions ” means each of the following: (a) on or after the Effective Date (but not later than 20 Business Days after the Effective Date (subject to extension at the Administrative Agent’s reasonable discretion, but not to exceed an additional 20 Business Days)), the making of a one-time cash dividend to Holdings’ equity holders in the amount of approximately (i) \$171,000,000 plus (ii) in the event the Effective Date Purchase is for a purchase price that is less than \$40,000,000 but greater than \$36,000,000, an amount equal to \$40,000,000 minus the actual purchase price for the Effective Date Purchase (for the avoidance of doubt, if the amount paid for the Effective Date Purchase is equal to or less than \$36,000,000, clause (ii) shall be zero) (the “ Effective Date Dividend ”) and (b) the consummation of the acquisition of certain clubs (and related assets) from existing franchisees, on or after the Effective Date (but not later than 20 Business Days after the Effective Date (subject to extension at the Administrative Agent’s reasonable discretion, but not to exceed an additional 20 Business Days)), for an amount not to exceed \$40,250,000 (the “ Effective Date Purchase ”).

“ Embargoed Person ” has the meaning assigned to such term in Section 3.19 .

“ Environmental Laws ” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to the extent relating to exposure to Hazardous Materials and human health.

“ Environmental Liability ” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Restricted Subsidiary directly or indirectly resulting from or based upon (a) any violation of any

Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) any exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“ Equipment ” has the meaning assigned to such term in the Security Agreement.

“ Equity Interests ” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests (or other ownership or profit interests or units) in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest (including through convertible securities); provided that any instrument evidencing Indebtedness convertible or exchangeable for Equity Interests shall not be deemed to be Equity Interests unless and until such instrument is so converted or exchanged, except, solely for purposes of a pledge of Equity Interests in connection with this Agreement, to the extent such instrument could be treated as “stock” of a “Controlled Foreign Subsidiary” (as defined in the Code) for purposes of Treasury Regulation Section 1.956-2(c)(2).

“ 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 a Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ ERISA Event ” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period is waived); (b) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“ Eurodollar ”, when used in reference to any Loan or Borrowing (other than an ABR Loan or Borrowing), refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“ Event of Default ” has the meaning assigned to such term in ARTICLE VII .

“ Excluded Property ” has the meaning assigned to it in the Security Agreement.

“ Excluded Subsidiary ” means (a) any Disregarded Domestic Subsidiary, (b) any Restricted Subsidiary, to the extent a guarantee by any such Restricted Subsidiary is not permitted by law, regulation or contract (including any requirement to obtain governmental (including regulatory) authority or third party consent) or would result in any material and adverse tax consequence as reasonably determined by the Borrower, in consultation with the Administrative Agent, (c) to the extent that the burden or cost of obtaining a guaranty outweighs the benefit afforded thereby as reasonably determined by the Administrative Agent (as defined below) and the Borrower, (d) Immaterial Subsidiaries and (e) Unrestricted Subsidiaries.

“ Excluded Swap Obligation ” means, with respect to any Loan Guarantor, any Loan Guarantor Swap Obligation if, and to the extent that, all or a portion of the Guaranteed Obligations of such Loan Guarantor of, or the grant by such Loan Guarantor of a security interest to secure, such Loan Guarantor Swap Obligation (or any Guarantee Obligations 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 Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the Loan Guarantor Swap Obligation of such Loan Guarantor or the grant of such security interest becomes effective with respect to such Loan Guarantor Swap Obligation. If a Loan Guarantor Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Loan Guarantor Swap Obligation that is attributable to swaps for which such Guaranteed Obligation or security interest 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).

“ Excluded Taxes ” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. Federal Taxes required to be withheld and imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17 , amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender acquired the applicable interest in such Loan or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.17(f) , (d) any Other Connection Taxes and (e) any U.S. Federal withholding Taxes imposed under FATCA.

“ Executive Order ” has the meaning assigned to it in Section 3.19 .

“ Existing Credit Agreement ” means the Borrower’s existing \$230,000,000 credit facility dated as of December 14, 2012, with lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.

“ Existing Loan Tranche ” has the meaning assigned to such term in Section 2.25(a) .

“ Extended Loans ” has the meaning assigned to such term in Section 2.25(a) .

“ Extending Lender ” has the meaning assigned to such term in Section 2.25(b) .

“ Extension ” shall mean the establishment of an Extension Series by amending a Loan pursuant to Section 2.25 and the applicable Extension Amendment.

“ Extension Amendment ” has the meaning assigned to such term in Section 2.25(b)(i) .

“ Extension Election ” has the meaning assigned to such term in Section 2.25(b) .

“ Extension Facility Closing Date ” has the meaning assigned to such term in Section 2.25(b)(i) .

“ Extension Minimum Condition ” shall mean a condition to consummating any Extension that a minimum amount (to be determined and specified in the relevant Extension Request, in the Borrower’s sole discretion) of any or all applicable Classes be submitted for Extension.

“ Extension Request ” shall mean any Loan Extension Request.

“ Extension Series ” means any Loan Extension Series.

“ FATCA ” means Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

“ Federal Funds Effective Rate ” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“ Financial Officer ” means the chief financial officer, principal accounting officer, treasurer or controller or other similar officer performing similar functions of the Borrower, in each case in his or her capacity as such.

“ Financial Statements ” has the meaning assigned to such term in Section 5.01 .

“ First Lien Net Leverage Ratio ” means, on any date, the ratio of (i) the difference between (i) Total Indebtedness secured on by a first priority Lien on the Collateral on such date less (ii) the amount of Unrestricted Cash and Unrestricted Cash Equivalents of the Loan Parties not at any time to exceed \$20,000,000 on such date to (b) EBITDA for the period of four consecutive fiscal quarters ended on or most recently prior to such date.

“ Fixtures ” has the meaning assigned to such term in the Security Agreement.

“ Foreign Assets Control Regulations ” has the meaning assigned to such term in Section 3.19 .

“ Foreign Lender ” means a Lender that is not a U.S. Person.

“ Foreign Subsidiary ” shall mean a Restricted Subsidiary that is organized under the laws of a jurisdiction other than the United States, any state thereof or the District of Columbia.

“ Funding Account ” has the meaning assigned to such term in Section 4.01(h) .

“ GAAP ” means generally accepted accounting principles in the United States of America.

“ Global Intercompany Note ” means a note substantially in the form of Exhibit F attached hereto.

“ Governmental Authority ” means the government of the United States of America, any other nation or 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.

“ Guarantee ” of or by any Person (the “ guarantor ”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “ primary obligor ”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which the Guarantee is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee.

“ Guaranteed Obligations ” has the meaning assigned to such term in Section 10.01 .

“ Hazardous Materials ” means: (a) any substance, material, or waste that is included within the definitions of “hazardous substances,” “hazardous materials,” “hazardous waste,” “toxic substances,” “toxic materials,” “toxic waste,” or words of similar import in any Environmental Law; (b) those substances listed as hazardous substances by the United States Department of Transportation (or any successor agency) (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) (40 C.F.R. Part 302 and amendments thereto); and (c) any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical.

“ Holdings ” shall have the meaning provided in the first paragraph hereof.

“ Immaterial Subsidiary ” means, as of any date, any Restricted Subsidiary of Borrower (designated in writing by the Borrower to the Administrative Agent as an Immaterial Subsidiary) contributing less than 2.50% (excluding intra-group items) of the consolidated EBITDA of Borrower and its Restricted Subsidiaries for the most recently ended period of four fiscal quarters for which financial statements have been delivered pursuant to Section 5.1 ; provided that the consolidated EBITDA of all Immaterial Subsidiaries shall not exceed 5.00% (excluding intra-group items) of the consolidated EBITDA of Borrower and its Restricted Subsidiaries for the relevant period. The Immaterial Subsidiaries as of the Effective Date are listed on Schedule 1.01 .

“ Immediate Family Members ” means with respect to any individual, such individual’s child, grandchild, parent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law and daughter-in-law (including formally adopted 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.

“ Impacted Interest Period ” has the meaning assigned to it in the definition of “LIBO Rate”.

“ Incremental Cap ” has the meaning assigned to it in Section 2.23(a) .

“ Incremental Equivalent Debt ” has the meaning assigned to it in Section 2.23(f).

“ Incremental Facility ” has the meaning assigned to it in Section 2.23 .

“ Incremental Facility Agreement ” has the meaning assigned to it in Section 2.23 .

“ Incremental Facility Effective Date ” has the meaning assigned to it in Section 2.23 .

“ Incremental Loan Commitment Requirements ” shall mean, the satisfaction of each of the following conditions: (i) the delivery by the Borrower to the Administrative Agent on or prior to such date of an acknowledgement in form and substance reasonably satisfactory to the Administrative Agent and executed by each Guarantor, acknowledging that such Incremental Facility and all Loans to be incurred pursuant thereto shall constitute (and be included in the definition of) “Obligations” under any Guaranty and Collateral Agreement; (ii) the delivery by the Borrower to the Administrative Agent of an opinion or opinions, in form and substance reasonably satisfactory to the Administrative Agent, from counsel to the Loan Parties, dated such date, covering such of the matters consistent with those set forth in the opinions of counsel delivered to the Administrative Agent on the Effective Date pursuant to Section 4.01 as may be reasonably requested by the Administrative Agent (other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel’s form of opinion reasonably satisfactory to the Administrative Agent); and (iv) the delivery by the Borrower and the other Loan Parties to the Administrative Agent on or prior to such date of such other officers’ certificates, board of director resolutions and evidence of good standing consistent with those required to be delivered to the Administrative Agent on the Effective Date pursuant to Section 4.01 as the Administrative Agent shall reasonably request.

“ Incremental Term Loans ” has the meaning assigned to it in Section 2.23 .

“ Indebtedness ” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services, including earn outs in respect of acquisitions (excluding (i) current accounts payable or accrued expenses incurred in the ordinary course of business, and (ii) all contingent unliquidated obligations of such Person in respect of earn outs and other contingent payments in respect of acquisitions, (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, but, solely in case of Indebtedness which is non-recourse to such person, limited to the fair market value of such property, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances, (j) any other Off-Balance Sheet Liability and (l) obligations, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications

thereof and substitutions therefor), under (i) any and all Swap Agreements, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. For the avoidance of doubt, Indebtedness of the Loan Parties shall include all guarantees (whether obligations thereunder is contingent or otherwise) of operating leases of franchisees (existing or prior) to the extent the Borrower is not indemnified for any such guaranty by a binding agreement.

“ Indemnified Taxes ” means (a) 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 and (b) to the extent not otherwise described in (a), Other Taxes.

“ Indemnitee ” has the meaning assigned to it in Section 9.03(b) .

“ Ineligible Institution ” has the meaning assigned to it in Section 9.04(b) .

“ Information ” has the meaning assigned to it in Section 9.12 .

“ Interest Election Request ” means a request by the Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.08 .

“ Interest Expense ” means, with reference to any period, total interest expense (including that attributable to Capital Lease Obligations) of the Borrower and its Restricted Subsidiaries for such period with respect to all outstanding Indebtedness of the Borrower and its Restricted Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptances and net costs under Swap Agreements in respect of interest rates, to the extent paid or required to be paid in cash for such period, to the extent such net costs are allocable to such period in accordance with GAAP), calculated for the Borrower and its Restricted Subsidiaries on a consolidated basis for such period in accordance with GAAP.

“ Interest Payment Date ” means (a) with respect to any ABR Loan (other than a Swingline Loan), the first day of each calendar quarter and the Revolving Credit Maturity Date or the Term Maturity Date, as applicable, and (b) with respect to any Eurodollar Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day (and if such day is not a Business Day, the next succeeding Business Day unless, such next succeeding Business Day would fall in the next calendar month, in which case the next preceding Business Day) prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the Revolving Credit Maturity Date or the Term Maturity Date, as applicable, and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid and the Revolving Credit Maturity Date.

“ Interest Period ” means (A) with respect to any Eurodollar Borrowing, the period commencing on the date of such Eurodollar Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, with the consent of each Lender participating therein, twelve months) thereafter, as the Borrower may elect; provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that

commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“ Interpolated Rate ” means, at any time, for any Interest Period, the rate *per annum* (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period for which the LIBO Screen Rate is available) that is shorter than the Impacted Interest Period; and (b) the LIBO Screen Rate for the shortest period (for which that Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

“ Investment ” means, with respect to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase, or other acquisition (including pursuant to any merger with any Person that was not a Loan Party and a wholly owned Restricted Subsidiary prior to such merger) of any Equity Interests, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) (b) a loan, advances or capital contribution to, Guarantee of any obligations of, or purchase or other acquisition of any other interest in, any other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) all or substantially all of the assets of any other Person constituting a business unit, units or line of business (whether through purchase of assets, merger or otherwise). For purposes of this Agreement, the amount of any Investment at any time shall be the amount actually invested (measured at the time made), without adjustment for subsequent changes in the value of such Investment, net of any return with respect to such Investment.

“ IRS ” means the United States Internal Revenue Service.

“ Issuing Bank ” means JPMorgan Chase Bank, N.A., in its capacity as the issuer of Letters of Credit hereunder and its successors in such capacity as provided in Section 2.06(i) . The Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by its Affiliates, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate (it being agreed that such Issuing Bank shall, or shall cause such Affiliate to, comply with the requirements of Section 2.06 with respect to such Letters of Credit).

“ Joinder Agreement ” means a Joinder Agreement in substantially the form of Exhibit E .

“ Latest Maturity Date ” shall mean, at any date of determination and with respect to the specified Loans or Commitments (or in the absence of any such specification, all outstanding Loans and Commitments hereunder), the latest Maturity Date, as applicable, applicable to any such Loans or Commitments hereunder at such time, including the latest maturity date of any Extended Loan, Refinanced Loan or any Incremental Facility, in each case as extended in accordance with this Agreement from time to time.

“ LC Collateral Account ” has the meaning assigned to such term in Section 2.06(j) .

“ LC Disbursements ” means any payment made by an Issuing Bank pursuant to a Letter of Credit.

“ LC Exposure ” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements relating to Letters of Credit that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the aggregate LC Exposure.

“Lenders” means the Persons listed on the Commitment Schedule and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto. Unless the context otherwise requires, the term “Lenders” includes the Swingline Lender.

“Lenders’ Presentation” means the Lenders’ Presentation dated as of November 19, 2012 relating to the Borrower and the Transactions.

“Letters of Credit” means the standby letters of credit issued pursuant to this Agreement, and the term “Letter of Credit” means any one of them or each of them singularly, as the context may require.

“LIBO Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for Dollars for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; in each case the “LIBO Screen Rate”) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; provided that, if the LIBO Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement and provided, further, if the LIBO Screen Rate shall not be available at such time for such Interest Period (an “Impacted Interest Period”) then the LIBO Rate shall be the Interpolated Rate, provided, that, if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“LIBO Screen Rate” has the meaning assigned to it in the definition of “LIBO Rate”.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (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.

“Loan” means a loan or advance made by the Lenders pursuant to this Agreement, including Swingline Loans.

“Loan Documents” means, collectively, this Agreement, any promissory notes issued pursuant to the Agreement, any Letter of Credit applications, the Collateral Documents, the Perfection Certificate, the Loan Guaranty, the Reaffirmation Agreement, any guaranty, any Incremental Facility Agreement and any Joinder Agreement. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

“Loan Extension Request” has the meaning assigned to such term in Section 2.25(a) .

“Loan Extension Series” has the meaning assigned to such term in Section 2.25(a) .

“ Loan Guarantor ” means each Loan Party (other than the Borrower).

“ Loan Guarantor Swap Obligation ” means, with respect to any Loan Guarantor, any 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.

“ Loan Guaranty ” means ARTICLE X of this Agreement.

“ Loan Parties ” means Holdings, the Borrower, the Borrower’s domestic Restricted Subsidiaries (other than Excluded Subsidiaries) and any other Person who becomes a party to this Agreement pursuant to a Joinder Agreement and their successors and assigns.

“ Loan Party ” means any one of the Loan Parties.

“ Management Agreement ” means the Management Services Agreement dated as of December 14, 2012 by and among Pla-Fit Holdings, LLC, Planet Intermediate, LLC, Planet Fitness Holdings, LLC and TSG6 Management L.L.C.

“ Material Adverse Effect ” means a material adverse effect on (a) the business, assets, operations or condition, financial or otherwise, of the Borrower and its Restricted Subsidiaries taken as a whole, (b) the ability of any Loan Party to perform any of its obligations under the Loan Documents to which it is a party, (c) the Collateral, or the Administrative Agent’s Liens (on behalf of itself and the Lenders and other holders of the Secured Obligations) on the Collateral or the priority of such Liens, or (d) the rights of or benefits available to the Administrative Agent, the Issuing Bank or the Lenders under any of the Loan Documents.

“ Material Indebtedness ” means Indebtedness (other than the Loans and Letters of Credit), or net obligations in respect of one or more Swap Agreements, of any one or more of the Loan Parties and their respective Restricted Subsidiaries in an aggregate outstanding principal amount exceeding \$15,000,000. For purposes of determining Material Indebtedness, the “obligations” of the Borrower or any Restricted Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Loan Party would be required to pay if such Swap Agreement were terminated at such time.

“ Maturity Date ” means, the Revolving Credit Maturity Date and/or the Term Maturity Date, as applicable.

“ Maximum Liability ” has the meaning assigned to such term in Section 10.10 .

“ Maximum Rate ” has the meaning assigned to such term in Section 9.17 .

“ MNPI ” has the meaning assigned to the term in Section 9.04 .

“ Moody’s ” means Moody’s Investors Service, Inc.

“ Mortgages ” means any mortgage, deed of trust or other agreement which conveys or evidences a Lien in favor of the Administrative Agent, for the benefit of the Administrative Agent and the Lenders and other holders of the Secured Obligations, on fee owned real property of a Loan Party, including any amendment, modification or supplement thereto.

“ Multiemployer Plan ” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“ New Holdings ” has the meaning assigned to it in Section 6.03(c) .

“ Net Income ” means, for any period, the consolidated net income (or loss) determined for the Borrower and its Restricted Subsidiaries, on a consolidated basis in accordance with GAAP; provided , however , that, without duplication:

- a) any non-cash extraordinary, non-recurring or unusual gains, losses, charges or expenses for such period shall be excluded;
- b) 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, shall be excluded;
- c) any non-cash gains or losses realized upon the sale, disposition or discontinuance of assets that are not sold or otherwise disposed of in the ordinary course of business shall be excluded;
- d) the Net Income for such period of any Person that is an Unrestricted Subsidiary shall be excluded, and 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 shall be excluded; provided that Net Income of a Person shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent subsequently converted into cash) to such Person or a Restricted Subsidiary thereof in respect of such period;
- e) effects of adjustments (including the effects of such adjustments pushed down to Borrower and the Restricted Subsidiaries) in any line item in the Borrower’s consolidated financial statements required or permitted by Financial Accounting Standards Codification No. 805 – *Business Combinations* and No. 350 – *Intangibles-Goodwill and Other* (ASC 805 and ASC 350) (formerly Financial Accounting Standards Board Statement Nos. 141 and 142, respectively) resulting from the application of purchase accounting, including in relation to any acquisition that is consummated on or after the Effective Date or the amortization or write-off of any amounts thereof, net of taxes, shall be excluded;
- f) any non-cash compensation charge or expense, including any such charge or expense arising from grants of stock appreciation rights, equity incentive programs or similar rights, stock options, restricted stock or other rights to Equity Interests, shall be excluded;
- g) any expenses, charges or losses to the extent covered by insurance or indemnity and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is (i) not denied by the applicable carrier or indemnifying party in writing within 180 days and (ii) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days);
- h) any non-cash impairment charge or asset write-off or write-down in each case, pursuant to GAAP, and from the amortization of intangibles arising pursuant to GAAP shall be excluded;
- i) solely for the purpose of determining the Available Amount, the Net Income for such period of any Restricted Subsidiary (other than any Loan Guarantor) shall be excluded 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 (other than restrictions that have been legally waived or otherwise released); provided that the Net Income of the Borrower will be increased by the amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash), to the Borrower or a Restricted Subsidiary thereof in respect of such period, to the extent not already included therein;

- j) any non-cash compensation expense resulting from the application of Accounting Standards Codification Topic No. 718, *Compensation—Stock Compensation* or Accounting Standards Codification Topic No. 505-50, *Equity-Based Payments to Non-Employees*, shall be excluded; and
- k) the following items shall be excluded:
 - i) any net unrealized gain or loss (after any offset) resulting in such period from Swap Agreements and from the application of Accounting Standards Codification Topic No. 815, *Derivatives and Hedging* ;
 - ii) any non-cash net 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) Swap Agreements for currency exchange risk and (B) resulting from intercompany indebtedness among such Person and its Restricted Subsidiaries));
 - iii) any non-cash adjustments resulting from the application of Accounting Standards Codification Topic No. 460, *Guarantees*, or any comparable regulation; and
 - iv) non-cash gains and losses from the early extinguishment of debt and Swap Contracts.

In addition, notwithstanding anything to the contrary in the foregoing, to the extent not already included in the Net Income of the Borrower in any period and so long as the expenses, charges and losses with respect to which such amounts relate have not been excluded from Net Income of the Borrower in any period, Net Income shall include (x) the amount of proceeds received from business interruption insurance and (y) reimbursements of any expenses and charges 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.

“ Net Proceeds ” means, with respect to any event, (a) the cash proceeds received by any Loan Party in respect of such event including (i) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments), but only as and when received, (ii) in the case of a casualty, insurance proceeds and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, net of (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid to third parties (other than Affiliates) in connection with such event, (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments required to be made as a result of such event to repay Indebtedness (other than Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event and (iii) the amount of all taxes, including taxes payable upon the transfer or repatriation of proceeds, paid (or

reasonably estimated to be payable), including the amount of any Permitted Tax Distribution Amount attributable to such event and any Taxes imposed on the distribution or deemed distribution of the amounts described in clause (a) hereof, and the amount of any reserves established to fund liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are attributable to such event (as determined reasonably and in good faith by a Financial Officer).

“ Non-Consenting Lender ” has the meaning assigned to such term in Section 9.02(d) .

“ Non-Paying Guarantor ” has the meaning assigned to such term in Section 10.09 .

“ Obligated Party ” has the meaning assigned to such term in Section 10.02 .

“ Obligations ” means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Loan Parties to the Lenders or to any Lender, the Administrative Agent, the Issuing Bank or any indemnified party arising under the Loan Documents.

“ OFAC ” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“ Off-Balance Sheet Liability ” of a Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any indebtedness, liability or obligation under any so-called “synthetic lease” transaction entered into by such Person, or (c) any indebtedness, liability or obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person (other than operating leases).

“ Other Connection Taxes ” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than a connection arising from such Recipient having executed, delivered, 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 enforced any Loan Document), or sold or assigned an interest in any Loan Document.

“ Other Taxes ” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise 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, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19).

“ Parent ” means, with respect to any Person, the Person as to which such Person is, directly or indirectly, a subsidiary.

“ Participant ” has the meaning assigned to such term in Section 9.04(c) .

“ Participant Register ” has the meaning assigned to such term in Section 9.04(c) .

“ Paying Guarantor ” has the meaning assigned to such term in Section 10.11 .

“ PBGC ” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“ Perfection Certificate ” means that certain Perfection Certificate, dated as of the date hereof, delivered by the Loan Parties to the Administrative Agent and any amendment and supplement thereto delivered in compliance with the terms of the Security Agreement.

“ Permitted Encumbrances ” means any Lien or encumbrance permitted by Section 6.02 .

“ Permitted Junior Secured Refinancing Debt ” has the meaning assigned to such term in Section 2.24(g)(i) .

“ Permitted Holders ” means (i) the Sponsor, (ii) the members of management of Holdings, any direct or indirect parent of Holdings, the Borrower or any of its Restricted Subsidiaries who are investors in Holdings or any direct or indirect parent thereof and (iii) Marc Grondahl, Christopher J. Rondeau, the Marc Grondahl Revocable Trust of 2006 and the Christopher J. Rondeau Revocable Trust of 2006 or any successor or assign of Marc Grondahl, Christopher J. Rondeau, the Marc Grondahl Revocable Trust of 2006 and the Christopher J. Rondeau Revocable Trust of 2006; provided that under no circumstances shall the Sponsor hold less than a majority, directly or indirectly, of the voting Equity Interests of Holdings held by the “Permitted Holders”.

“ Permitted Investments ” or “ Cash Equivalents ” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody’s;

(c) investments in certificates of deposit, bankers’ acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than \$250,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody’s and (iii) have portfolio assets of at least \$1,000,000,000.

“ Permitted Pari Passu Secured Refinancing Debt ” has the meaning assigned to such term in 2.24(g)(i).

“ Permitted Payments to Parent ” means, without duplication as to amounts:

(a) payments to any Parent to permit any Parent to pay reasonable accounting, legal and administrative expenses of any Parent when due, to the extent such expenses are attributable to the ownership and operation of the Borrower and its Subsidiaries;

(b) distributions to pay the tax liabilities of the direct and indirect parents of Borrower and (y) pro rata “tax distributions” to the direct and indirect equityholders of Borrower’s direct and indirect parent, in each case, determined based on the net income and gain realized by Borrower and its Subsidiaries (and to discharge the tax liabilities of Borrower, its Subsidiaries and their direct and indirect equityholders);

(c) payments to any Parent to pay reasonable expenses in connection with any debt or equity offering of any Parent (whether or not successful);

(d) payments to any Parent to pay customary salary, bonus, severance and other benefits payable to, and indemnities provided on behalf of, employees, directors, officers, members of management and consultants of any direct or indirect parent company of the Borrower and any payroll, social security or similar taxes thereof, to the extent such salaries, bonus and other benefits are attributable to the ownership or operation of the Borrower and its Subsidiaries; and

(e) any Restricted Payment by the Borrower or any other direct or indirect parent of the Borrower to pay listing fees and other costs and expenses attributable to being a publicly traded company which are reasonable and customary.

“ Permitted Refinancing ” means, with respect to any Person, any modification, refinancing, refunding, renewal, replacement or extension of any Indebtedness of such Person; provided that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, refunded, renewed, replaced or extended except by an amount equal to unpaid accrued interest and premium (including tender premiums) thereon, plus reasonable original issue discount and upfront fees plus other fees and expenses reasonably incurred, in connection with such modification, refinancing, refunding, renewal, replacement or extension and by an amount equal to any existing commitments unutilized thereunder, (b) such modification, refinancing, refunding, renewal, replacement or extension has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended, (c) at the time thereof, no Event of Default shall have occurred and be continuing, (d) if such Indebtedness being modified, refinanced, refunded, renewed, replaced or extended is Subordinated Indebtedness, to the extent such Indebtedness being modified, refinanced, refunded, renewed, replaced or extended is subordinated in right of payment to the Obligations, such modification, refinancing, refunding, renewal, replacement or extension is subordinated in right of payment to the Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended, and such modification, refinancing, refunding, renewal, replacement, (e) to the extent such Indebtedness being modified, refinanced, refunded, renewed, replaced or extended is secured by the Collateral and/or subject to intercreditor arrangements for the benefit of the Lenders, such modification, refinancing, refunding, renewal, replacement or extension is either (1) unsecured or (2) secured and, if secured, subject to intercreditor arrangements on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended, and such modification, refinancing, refunding, renewal, replacement or extension is incurred by one or more Persons who is an obligor of the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended and (f) any such modification, refinancing, renewal, replacement or extension has the same primary obligor and the same (or fewer) guarantors as the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended.

“ Permitted Tax Distribution Amount ” means, with respect to any taxable year or portion thereof for which the Borrower is classified as a disregarded entity of partnership for US federal income tax purposes, an aggregate amount of cash distributions to be made by the Borrower to its equity holders in order to provide its direct and indirect equity holders with funds sufficient to pay their tax liabilities, including estimated tax liabilities, associated with their direct or indirect allocable shares of income and gain of the Borrower and its Subsidiaries classified as partnerships or disregarded entities for US federal income tax purposes during their period of direct or indirect ownership in the Borrower with respect to such taxable year, subject to the following modifications: (i) the aggregate Permitted Tax Distribution Amount with respect to a taxable year or portion thereof shall not exceed the product of (a) the Borrower’s reasonable good faith determination of the taxable income, gain, loss and deduction of the Borrower and its Subsidiaries classified as partnerships or disregarded entities for US federal income tax purposes with respect to such period and by (b) the applicable Assumed Tax Rate; (ii) the Borrower shall assume that the sole source of income, gain, loss, deduction and credit for its direct and indirect equity holders is a direct or indirect interest in the Borrower and its Subsidiaries classified as partnerships or disregarded entities for US federal income tax purposes; (iii) for clarity, any tax deductions or basis adjustments arising under Code Section 743 shall not be taken into account; and (iv) the aggregate Permitted Tax Distribution Amount with respect to the taxable income and gain of the Unrestricted Subsidiaries for all taxable years or portions thereof shall not exceed the aggregate amount of cash or other property received by the Borrower or any Restricted Subsidiary from the Unrestricted Subsidiaries.

The applicable “Assumed Tax Rate” equals the single highest combined federal, state and local tax rates (taking into account self-employment tax rates and the Medicare Contribution tax on net investment income) then applicable to capital gains or ordinary income (as applicable), whether an individual or corporate rate in any jurisdiction in which any direct or indirect equity holder of the Borrower is resident (with the state of residence of an equity holder that is a “flow through” entity for tax purposes determined to be the state or states of residence of any direct or indirect owner of the entity who is responsible for paying taxes on such income) or the Borrower directly or indirectly does business (whichever is higher) on income or gain of the category represented by such applicable allocation (assuming that state and local taxes are not deductible).

“ Permitted Unsecured Refinancing Debt ” has the meaning assigned to such term in Section 2.24(g)(i) .

“ Person ” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“ Plan ” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“ Platform ” has the meaning assigned to such term in Section 9.01(d) .

“ Prepayment Event ” means:

(a) any sale, transfer or other disposition (including pursuant to a sale and leaseback transaction) of any property or asset of any Loan Party or any of its Restricted Subsidiaries, other than dispositions (i) described in Sections 6.05 (a) , (b) , (c) , (d) , (h) , (i) , (j)(i) , (l) , (m) , (n) and (o)

and (ii) any other sale, transfer or disposition (for such purpose, treating any series of related sales, transfers or dispositions as a single such transaction) that generates Net Proceeds of less than \$1,000,000; provided that no asset sales shall be excluded from this definition by operation of this clause (a)(ii) at any time during any fiscal year of the Borrower after the aggregate amount Net Proceeds generated from asset sales that have been excluded from this definition by operation of this clause (a)(ii) during such fiscal year equals or exceeds \$5,000,000; or

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any Loan Party or any of its Restricted Subsidiaries with a fair value immediately prior to such event equal to or greater than \$1,000,000; or

(c) the incurrence by any Loan Party or any of its Restricted Subsidiaries of any Indebtedness, other than Indebtedness permitted under Section 6.01 (other than Refinancing Debt).

“ Previous Holdings ” has the meaning assigned to it in Section 6.03(c) .

“ Previously Absent Financial Covenant ” means, at any time (a) any financial covenant that is not included in this Agreement at such time and (b) with regard to a financial covenant that is included in this Agreement at such time but with covenant levels and component definitions (to the extent relating to such financial covenant) in this Agreement that are less restrictive on the Borrower and its Restricted Subsidiaries than those in the more restrictive financial covenant included in the applicable Extended Loan, Refinanced Loan or any Incremental Facility, such more restrictive financial covenant.

“ Prime Rate ” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal offices in New York City. Each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“ Pro Forma Adjustment ” means, for any period, the pro forma increase or decrease in EBITDA, as certified and reasonably acceptable to the Administrative Agent by the chief financial officer or other equivalent officer of the Borrower, which pro forma increase or decrease shall be based on the Borrower’s good faith projections and reasonable assumptions as a result of actions taken prior to the date of determination of EBITDA, and which are expected to result in reasonably identifiable and factually supportable (in the good faith determination of the Borrower) operating expense reductions and other operating improvements, restructurings and cost savings that are reasonably expected to be realized within 12 months following such action); provided that (A) so long as such actions are taken prior to the date of determination of EBITDA it may be assumed, for purposes of projecting such pro forma increase or decrease to EBITDA, that such cost savings will be realizable during the entirety of such period, and (B) any such pro forma increase or decrease to EBITDA shall be without duplication of cost savings or additional costs already deducted from net income, or included as an addback to EBITDA, for such period.

“ pro forma basis ” and “ pro forma effect ” mean, with respect to compliance with any test or covenant or calculation of any ratio hereunder, the determination or calculation of such test, covenant or ratio in accordance with Section 1.05 .

“ Prohibited Person ” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the or by the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

“ Projections ” has the meaning assigned to such term in Section 5.01 .

“ Public-Sider ” means any representative of a Lender that does not want to receive material non-public information with the meaning of federal and state securities laws.

“ Qualified Capital Stock ” means Equity Interests of Holdings, the Borrower and its Restricted Subsidiaries other than Disqualified Capital Stock.

“ Qualified ECP Guarantor ” means, in respect of any Loan Guarantor Swap Obligation, each Loan Guarantor that at the time the relevant Guaranteed Obligation or grant of the relevant security interest becomes effective with respect to such Loan Guarantor Swap Obligation 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.

“ Qualifying IPO ” means the issuance by Holdings or any direct or indirect parent of Holdings 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).

“ Real Property ” means, collectively, all right, title and interest (including any leasehold, mineral or other estate) in and to any and all parcels of or interests in real property owned or leased by any Person, whether by lease, license or other means, together with, in each case, all easements, hereditaments and appurtenances relating thereto and all improvements and appurtenant fixtures.

“ Recipient ” means, as applicable, (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, or any combination thereof (as the context requires).

“ Reaffirmation Agreement ” means that certain Reaffirmation Agreement, dated as of the date hereof, between the Loan Parties and the Administrative Agent, for the benefit of the Administrative Agent and the Lenders and the other holders of the Secured Obligations.

“ Refinancing Amendment ” has the meaning assigned to such term in Section 2.24(f) .

“ Refinanced Debt ” has the meaning assigned to such term in Section 2.24(a) .

“ Refinancing Amendment ” has the meaning assigned to such term in Section 2.24(f) .

“ Refinancing Commitments ” has the meaning assigned to such term in Section 2.24(a) .

“ Refinancing Debt ” means Refinancing Loans (and/or Refinancing Commitments, as the context may require) and Refinancing Equivalent Debt.

“ Refinancing Equivalent Debt ” has the meaning assigned to such term in Section 2.24(g)(i) .

“ Refinancing Facility Closing Date ” has the meaning assigned to such term in Section 2.24(d) .

“ Refinancing Lender ” has the meaning assigned to such term in Section 2.24(c) .

“ Refinancing Loan ” has the meaning assigned to such term in Section 2.24(b) .

“ Refinanced Loans ” has the meaning assigned to such term in Section 2.24(g) .

“ Refinancing Loan Request ” has the meaning assigned to such term in Section 2.24(a) .

“ Refinancing Commitments ” has the meaning assigned to such term in Section 2.24(a) .

“ Refinancing Lender ” has the meaning assigned to such term in Section 2.24(c) .

“ Refranchising Transaction ” means any acquisition of one or more franchises (including stores, area development (or similar) agreements, real estate and other related assets and rights) and the subsequent sale or other disposition of such franchises to one or more franchisees to the extent such franchises are classified as “assets held for sale” on the balance sheet of the Borrower and its Restricted Subsidiaries in accordance with GAAP or are expected to be, and are actually, sold or otherwise disposed of within two years of such acquisition; provided that any such purchase shall be deemed an Investment other than a “Refranchising Transaction” if such sale or disposition is not consummated within two years of such acquisition.

“ Register ” has the meaning assigned to such term in Section 9.04 .

“ Related Parties ” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, partners, members, trustees, employees, agents, administrators, managers, representatives and advisors of such Person and such Person’s Affiliates.

“ Repricing Transaction ” shall mean (a) any prepayment or repayment of Term Loans with the proceeds of, or any conversion of Loans into, any new or replacement Class of Term Loans or other Indebtedness the primary purpose of which is to reduce the interest rate payable thereon to be lower than the Adjusted LIBO Rate on the date of such prepayment plus the Applicable Rate with respect to the Term Loans on the date of such prepayment or (b) any amendment, amendment and restatement or other modification to this Agreement, the primary purpose of which is to reduce the interest rate payable thereon to be lower than the Adjusted LIBO Rate on the date of such prepayment plus the Applicable Rate with respect to the Term Loans on the date of such prepayment.

“ Required Class Lenders ” means, at any time, as to any Class, Lenders having Credit Exposure (with respect to only such Class) and unused Commitments of such Class representing more than 50.0% of the sum of the Aggregate Credit Exposure (with respect to only such Class) and unused Commitments of such Class at such time.

“ Required Lenders ” means, at any time, Lenders having Credit Exposure and unused Commitments representing more than 50.0% of the sum of the Aggregate Credit Exposure and unused Commitments at such time.

“ Required Revolving Lenders ” means, as of any date of determination, Lenders having Revolving Exposure and unused Revolving Commitments representing more than 50.0% of the sum of the total Revolving Exposure and unused Revolving Commitments at such time.

“ Requirement of Law ” means, as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“ Restricted ” shall mean, when referring to cash or Cash Equivalents of the Borrower or any of its Restricted Subsidiaries, that such cash or Cash Equivalents (i) appears (or would be required to appear) as “restricted” on a consolidated balance sheet of the Borrower or of any such Restricted Subsidiary (unless such appearance is related to the Loan Documents or Liens created thereunder), (ii) are subject to any Lien in favor of any Person other than the Administrative Agent for the benefit of the Secured Parties or (iii) are not otherwise generally available for use by the Borrower or such Restricted Subsidiary.

“ Restricted Payment ” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Restricted Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Borrower or any option, warrant or other right to acquire any such Equity Interests in the Borrower and distributions and the payment, prepayment, redemption or repurchases of unsecured or junior debt (including, for the avoidance of doubt, any debt permitted under Section 6.01(c)(ii)).

“ Restricted Subsidiary ” means any Subsidiary of Holdings that is not an Unrestricted Subsidiary.

“ Retained Declined Proceeds ” has the meaning assigned to such term in Section 2.11(h) .

“ Revolving Commitment ” means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate permitted amount of such Lender’s Revolving Exposure hereunder. The initial amount of each Lender’s Revolving Commitment is set forth on the Commitment Schedule , or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Revolving Commitment, as applicable. The initial aggregate amount of the Lenders’ Revolving Commitments is \$40,000,000.

“ Revolving Commitment Increase ” has the meaning assigned to such term in Section 2.23 .

“ Revolving Commitment Increase Lender ” has the meaning assigned to such term in Section 2.23 .

“ Revolving Credit Maturity Date ” means March 31, 2019 (if the same is a Business Day, or if not then the immediately next succeeding Business Day), or any earlier date on which the Revolving Commitments are reduced to zero or otherwise terminated pursuant to the terms hereof.

“ Revolving Exposure ” means, with respect to any Lender, at any time, the sum of the aggregate outstanding principal amount of such Lender’s Revolving Loans and its LC Exposure and Swingline Exposure at such time.

“ Revolving Lender ” means, as of any date of determination, a Lender with a Revolving Commitment or, if the Revolving Commitments have terminated or expired, a Lender with Revolving Exposure.

“ Revolving Loan ” means a Loan made pursuant to Section 2.01(a) .

“ Sale and Leaseback Transaction ” has the meaning assigned to it in Section 6.06 .

“ Sanctioned Country ” means, at any time, a country or territory which is the subject or target of any Sanctions.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc.

“SEC” means the U.S. Securities and Exchange Commission.

“Secured Obligations” means all Obligations, together with all (i) Banking Services Obligations and (ii) Swap Obligations owing to one or more Lenders or their respective Affiliates.

“Secured Parties” means (a) the Lenders, (b) the Administrative Agent, (c) the Issuing Bank, (d) each provider of Banking Services Obligations the obligations under which constitute Secured Obligations, (e) each counterparty to any Swap Agreement the obligations under which constitute Secured Obligations and (f) the successors and assigns of each of the foregoing.

“Security Agreement” means that certain Amended and Restated Pledge and Security Agreement, dated as of the date hereof, between the Loan Parties and the Administrative Agent, for the benefit of the Administrative Agent and the Lenders and the other holders of the Secured Obligations, and any other pledge or security agreement securing the Secured Obligations entered into after the date of this Agreement by any other Loan Party (as required by this Agreement or any other Loan Document) or any other Person, as the same may be amended, restated or otherwise modified from time to time.

“Specified Transactions” means (a) dispositions of an operating unit, business or Restricted Subsidiary, (b) an Investment (by merger or otherwise) in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary), (c) an acquisition of property which constitutes all or substantially all of an operating unit of a business, in each case, to the extent permitted hereunder, (d) any designation of a Person as a Restricted Subsidiary or as an Unrestricted Subsidiary, (e) any Restricted Payment that by the terms of this Agreement requires pro forma compliance with a test or covenant hereunder or requires such test or covenant to be calculated on a pro forma basis or (f) the taking of any action which would result in a pro forma adjustment to EBITDA pursuant to clause (a)(vii) of the definition thereof.

“Sponsor” means TSG Consumer Partners, LLC.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Subordinated Indebtedness” of a Person means any Indebtedness of such Person, the payment of which is subordinated to payment of the Secured Obligations.

“ subsidiary ” means, with respect to any Person (the “ parent ”) at any date, any corporation, limited liability company, partnership, association or other entity, the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, or (b) that is, as of such date, otherwise Controlled by the parent and/or one or more subsidiaries of the parent.

“ Subsidiary ” means any direct or indirect subsidiary of the Borrower or of any other Loan Party.

“ Swap Agreement ” means any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or any option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Restricted Subsidiaries shall be a Swap Agreement.

“ Swap Obligations ” of a Loan Party means any and all obligations of such Loan Party, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction.

“ Swingline Exposure ” means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the aggregate Swingline Exposure at such time.

“ Swingline Lender ” means JPMorgan Chase Bank, N.A., in its capacity as lender of Swingline Loans hereunder. Any consent required of the Administrative Agent or the Issuing Bank shall be deemed to be required of the Swingline Lender and any consent given by JPMorgan Chase Bank, N.A. in its capacity as Administrative Agent or Issuing Bank shall be deemed given by JPMorgan Chase Bank, N.A. in its capacity as Swingline Lender as well.

“ Swingline Loan ” means a Loan made pursuant to Section 2.05 .

“ Taxes ” means any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“ Term Commitment ” means, with respect to each Lender, the commitment, if any, of such Lender to make Term Loans, expressed as an amount representing the maximum principal amount of the Term Loans to be made by such Lender. The initial amount of each Lender’s Term Commitment is set forth on the Commitment Schedule , or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Term Commitment, as applicable. The initial aggregate amount of the Lenders’ Term Commitment is \$390,000,000.

“ Term Lender ” means a Lender having a Term Commitment or an outstanding Term Loan.

“Term Loan” means a Loan made pursuant to Section 2.01(b) .

“Term Loan Initial Margin” has the meaning assigned to it in the definition of “Applicable Rate”.

“Term Maturity Date” means March 31, 2021.

“Total Indebtedness” means the sum of, without duplication, at any date, outstanding on such date, prepared as of such date on a consolidated basis in accordance with GAAP for the Borrower and its Restricted Subsidiaries (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with transactions pursuant to the Acquisition Agreement and any Investment or any other acquisition permitted hereunder), (i) total funded Indebtedness for borrowed money, (ii) the principal portion of Capital Lease Obligations, (iii) any drawings on Letters of Credit (which have not been reimbursed within two (2) Business Days after such amount is drawn (it being understood that any borrowing, whether automatic or otherwise, to fund such reimbursement shall be counted)), (iv) all obligations for the deferred purchase price of property or services, including earn outs in respect of acquisitions (excluding (x) current accounts payable or accrued expenses incurred in the ordinary course of business and (y) all contingent unliquidated obligations of such Person in respect of earn outs and other contingent payments in respect of acquisitions) and (v) all guarantee obligations in respect of any of the foregoing. For the avoidance of doubt, Total Indebtedness shall not include any Indebtedness in respect of obligations under Swap Agreements (but including unpaid termination payments under Swap Agreements).

“Total Leverage Ratio” means, on any date, the ratio of (a) the difference between (i) Total Indebtedness on such date to (b) EBITDA for the period of four consecutive fiscal quarters ended on or most recently prior to such date.

“Total Net Leverage Ratio” means, on any date, the ratio of (a) the difference between (i) Total Indebtedness on such date less (ii) the amount of Unrestricted Cash and Unrestricted Cash Equivalents of the Loan Parties not at any time to exceed \$20,000,000 on such date to (b) EBITDA for the period of four consecutive fiscal quarters ended on or most recently prior to such date.

“Trading with the Enemy Act” has the meaning assigned to such term in Section 3.19 .

“Transformative Acquisition” shall mean any material acquisition by Holdings or any Restricted Subsidiary which requires an amendment, modification or waiver of the terms of this Agreement in order to consummate such acquisition.

“Transactions” means the execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents, the borrowing of Loans and other credit extensions, the use of the proceeds thereof, the issuance of Letters of Credit hereunder and the payment of expenses and fees in connection with the Transactions.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

“UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York or in any other state, the laws of which are required to be applied in connection with the issue of perfection of security interests.

“ Unliquidated Obligations ” means, at any time, any Secured Obligations (or portion thereof) that are contingent in nature or unliquidated at such time, including any Secured Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including any Guarantee) that is contingent in nature at such time; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

“ Unrestricted ” shall mean, when referring to cash or Cash Equivalents of the Borrower or any of its Restricted Subsidiaries, that such cash or Cash Equivalents are not Restricted.

“ Unrestricted Subsidiary ” means (a) any Subsidiary of the Borrower designated by the Borrower as an Unrestricted Subsidiary hereunder by written notice to the Administrative Agent; provided that the Borrower shall only be permitted to so designate a Subsidiary as an Unrestricted Subsidiary after the Effective Date and so long as (i) such Subsidiary was not an Unrestricted Subsidiary that was redesignated as a Restricted Subsidiary, (ii) immediately after giving effect to such designation, Holdings, the Borrower and its Restricted Subsidiaries shall be in compliance, on a pro forma basis, with the financial covenant in Section 6.12 , (iii) such Unrestricted Subsidiary shall be capitalized (to the extent capitalized by Holdings, the Borrower or any of its Restricted Subsidiaries) through Investments as permitted by, and in compliance with Section 6.04 , (iv) without duplication of clause (iii) , the fair market value of the net assets owned by such Unrestricted Subsidiary at the time of the initial designation thereof attributable to Holdings’, the Borrower or its Restricted Subsidiaries’ Equity Interests therein shall be treated as Investments pursuant to Section 6.04 , (v) each of (x) the Subsidiary to be so designated and (y) 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 Holdings, the Borrower or any Restricted Subsidiary and (vi) no Unrestricted Subsidiary shall own any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, Holdings or any Subsidiary of Holdings (other than any Subsidiary of the Subsidiary to be so designated or an Unrestricted Subsidiary), (b) any Subsidiary of an Unrestricted Subsidiary. Any such designation by the board of directors of the Borrower shall be notified by the Borrower to the Administrative Agent by promptly delivering to the Administrative Agent a copy of the board resolution giving effect to such designation and a certificate of an authorized officer of the Borrower certifying that such designation complied with the foregoing provisions.

“ U.S. ” means the United States of America.

“ U.S. Person ” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“ U.S. Tax Compliance Certificate ” has the meaning assigned to such term in Section 2.17(f)(ii)(B)(3) .

“ USA PATRIOT Act ” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

“ Weighted Average Life to Maturity ” shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the then outstanding principal amount of such Indebtedness into (ii) the product obtained by multiplying (x) the amount of each then remaining installment or other required scheduled payments of principal, including payment at final maturity, in respect thereof, by (y) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; provided that for purposes of determining the Weighted Average Life to Maturity of any Refinanced Debt, any Refinanced Debt (as defined in the definition of Refinancing Indebtedness) or any other Indebtedness that is being modified, refinanced, refunded, renewed, replaced or extended (the “ Applicable Indebtedness ”), the effects of any amortization or prepayments made on such Applicable Indebtedness prior to the date of the applicable modification, refinancing, refunding, renewal, replacement or extension shall be disregarded.

“ wholly owned ” means, with respect to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which (other than (x) director’s qualifying shares and (y) nominal shares issued to foreign nationals to the extent required by applicable Law) are owned by such Person and/or by one or more wholly owned Subsidiaries of such Person.

“ Withdrawal Liability ” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings . For purposes of this Agreement, Loans may be classified and referred to by Class (e.g. , a “Revolving Loan”) or by Type (e.g. , a “Eurodollar Loan”) or by Class and Type (e.g. , a “Eurodollar Revolving Loan”). Borrowings also may be classified and referred to by Class (e.g. , a “Revolving Borrowing”) or by Type (e.g. , a “Eurodollar Borrowing”) or by Class and Type (e.g. , a “Eurodollar Revolving Borrowing”).

SECTION 1.03. 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, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) 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, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference in any definition to the phrase “at any time” or “for any period” shall refer to the same time or period for all calculations or determinations within such definition, as applicable, and (f) 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.

SECTION 1.04. Accounting Terms; GAAP . Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if after the date hereof there occurs any change in GAAP or in the application thereof on the operation of any provision hereof and the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of such change occurring after the Effective Date in GAAP or in the application thereof on the operation of such provision; provided , the Borrower and the Administrative Agent shall negotiate in good faith to amend the financial definitions and related covenants to preserve the original intent thereof in light of such change (and such amendments to be subject to the approval of the Required Lenders); (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith (provided , that in

the case of any amendment that is solely for such an accounting change described in the Proposed Accounting Standards Update to Leases (Topic 840) dated August 17, 2010, and the Proposed Accounting Standards Update (Revised) to Revenue Recognition (Topic 605) dated November 14, 2011 and January 4, 2012, there shall be no amendment fees paid to the Lenders (but the Borrower shall be responsible for costs and expenses in accordance with the terms of this Agreement). Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Financial Accounting Standards Board Accounting Standards Codification 825 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of any Loan Party at “fair value”, as defined therein.

SECTION 1.05. Pro Forma Adjustments for Acquisitions and Dispositions . Notwithstanding anything to the contrary contained herein, financial ratios and tests (including the Total Leverage Ratio, Total Net Leverage Ratio and First Lien Net Leverage Ratio (including component definitions thereof)) pursuant to this Agreement shall be calculated on a “pro forma basis.” “**pro forma basis**” or “**pro forma effect**” shall mean that (A) to the extent applicable, the Pro Forma Adjustment shall have been made and (B) all Specified Transactions and the transactions described in clause (ii) below (1) shall be deemed to have occurred as of the first day of the applicable period of measurement with respect to any test or covenant for which such calculation is being made and (2) the proceeds (if any) from the incurrence of Indebtedness shall not be used for purposes of cash netting in the calculation of Total Net Leverage Ratio and First Lien Net Leverage Ratio to the extent compliance with such ratio is required to incur such Indebtedness (i) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction (x) in the case of a Specified Transaction described in clauses (a) and (d) (in the case of a designation of an Unrestricted Subsidiary) of the definition thereof, shall be excluded and (y) in the case of a Specified Transaction described in clause (b), (c) or (d) (in the case of the designation of a Restricted Subsidiary) of the definition thereof (including the Effective Date Purchase), shall be included, (ii) in the case of any incurrence, retirement or repayment by the Borrower or any of its Restricted Subsidiaries of Indebtedness, (x) the discharge of any other Indebtedness retired or repaid with the proceeds of such incurred Indebtedness shall be calculated as if such discharge had occurred on the first day of the applicable period of measurement and (y) in the event the Equity Interests of any Restricted Subsidiary is sold during the period, the Borrower shall be deemed, to have repaid during such period the Indebtedness of such Restricted Subsidiary to the extent the Borrower and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale); provided that, in the case of this clause (ii), if such Indebtedness has a floating or formula rate, such Indebtedness shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate that is or would be in effect with respect to such Indebtedness at the relevant date of determination (taking into account any interest hedging arrangements applicable to such Indebtedness); provided that, without limiting the application of the Pro Forma Adjustment pursuant to clause (i) above (but without duplication thereof or in addition thereto), the foregoing pro forma adjustments described in clause (i) above may be applied to a test or covenant solely to the extent that such adjustments are consistent with the definition of “EBITDA” and give effect to events (including operating expense reductions) that are consistent with the definition of the term “Pro Forma Adjustment”.

Notwithstanding anything to the contrary herein, when calculating the Total Leverage Ratio or Total Net Leverage Ratio solely for the purposes of (i) Section 6.12 (as opposed to any test of the Total Net Leverage Ratio (including pro forma compliance with Section 6.12) as a condition or qualification to any permitted activity), (ii) Section 2.11(c) and the definition of Applicable Rate, the events described in this Section 1.05 that occurred subsequent to the end of the applicable four quarter period for which such ratio is being tested shall not be given pro forma effect.

In addition, when calculating the Total Net Leverage Ratio or First Lien Net Leverage Ratio for purposes of determining whether a condition or qualification to any permitted activity is satisfied (including pro forma compliance with Section 6.12), the applicable ratio will be calculated with reference to, and shall be based on, the most recently ended four-quarter period for which internal financial statements of the Borrower are available. Further, subject to the limitation described in clause (B)(2) of this Section 1.05 , when determining the amount of Unrestricted Cash of the Loan Parties on a pro forma basis when calculating the Total Net Leverage Ratio or First Lien Net Leverage Ratio for purposes of determining whether a condition or qualification to any permitted activity is satisfied (including pro forma compliance with Section 6.12), the amount of Unrestricted Cash shall be the actual cash balance as of the applicable date of determination, giving pro forma effect to such Unrestricted Cash balance only as a result of the activity(ies) in respect of which such pro forma determination is being made.

Notwithstanding anything to the contrary herein, solely for the purposes of calculating the Available Amount, Net Income shall not be calculated on a pro forma basis.

SECTION 1.06. Currency Generally . For purposes of determining compliance with Article VI with respect to any amount of Indebtedness, Lien or Investment 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 Indebtedness or Investment is incurred (so long as such Indebtedness or Investment, at the time incurred, made or acquired, was permitted hereunder). For purposes of determining the Total Leverage Ratio, Total Net Leverage Ratio and First Lien Net Leverage Ratio, amounts in currencies other than Dollars shall be translated into Dollars at the currency exchange rates used in preparing the most recently delivered financials statements.

ARTICLE II

The Credits

SECTION 2.01. Commitments . (a) Subject to the terms and conditions set forth herein, each Lender severally agrees to make Revolving Loans in dollars to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in (i) such Lender's Revolving Exposure exceeding such Lender's Revolving Commitment or (ii) the Aggregate Revolving Exposure exceeding the aggregate Revolving Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

(b) Subject to the terms and conditions set forth herein, each Term Lender severally agrees to make a Term Loan in dollars to the Borrower, on the Effective Date, in a principal amount not to exceed such Lender's Term Commitment. Amounts prepaid or repaid in respect of Term Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings .

(a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Class. Any Swingline Loan shall be made in accordance with the procedures set forth in Section 2.05 . The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder.

(b) Subject to Section 2.14 , each Revolving Borrowing and Term Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith, provided that all Revolving Borrowings and Term Borrowings made on the Effective Date must

be made as ABR Borrowings but may be converted into Eurodollar Borrowings in accordance with Section 2.08 . Each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement and such Lender shall not be entitled to any amounts payable under Section 2.15 or 2.17 in respect of increased costs resulting from such exercise and existing at the time of such exercise.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$500,000 and not less than \$1,000,000; provided that a Eurodollar Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments of the applicable Class. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$500,000 and not less than \$1,000,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments of the applicable Class or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) . Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of five Eurodollar Borrowings with different Interest Periods outstanding; provided that after the establishment of any new Class of Loans pursuant to an Incremental Facility Agreement (including for Revolving Commitment Increases), Refinancing Amendment or an Extension Amendment, the number of Interest Periods otherwise permitted by this Section 2.02(c) shall increase by three (3) Interest Periods for each applicable Class so established.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Revolving Credit Maturity Date or the Term Maturity Date, as applicable.

SECTION 2.03. Requests for Borrowings . To request a Borrowing, the Borrower shall notify the Administrative Agent of such request either in writing (delivered by hand or fax) in the form attached hereto as Exhibit B and signed by the Borrower or by telephone (a) in the case of a Eurodollar Borrowing of Revolving Loans, not later than 1:00 p.m., New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing of Revolving Loans, not later than noon, New York City time, on the date of the proposed Borrowing; provided that any such notice of an ABR Revolving Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or fax to the Administrative Agent of a written Borrowing Request and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.01 :

- (i) the Class of Borrowing, the aggregate amount of the requested Borrowing and a breakdown of the separate wires comprising such Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period.”

If no election as to the Type of Borrowing is specified, then the requested Revolving Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Revolving Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender’s Loan to be made as part of the requested Borrowing.

SECTION 2.04. [Reserved].

SECTION 2.05. Swingline Loans .

(a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans to the Borrower, from time to time during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding \$5,000,000 or (ii) the Aggregate Revolving Exposures exceeding the aggregate Revolving Commitments; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Each Swingline Loan shall be in an amount that is an integral multiple of \$500,000 and not less than \$1,000,000; provided that a Swingline Loan may be in an aggregate amount that is equal to the entire unused balance of the total Revolving Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) . Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans. To request a Swingline Loan, the Borrower shall notify the Administrative Agent of such request by telephone (confirmed by fax), not later than 2:00 p.m., New York City time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of a credit to the Funding Account(s) or such other account as may be specified in a Borrowing Request (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) , by remittance to the Issuing Bank, and in the case of repayment of another Loan or fees or expenses as provided by Section 2.18(c) , by remittance to the Administrative Agent to be distributed to the Lenders) by 4:00 p.m., New York City time, on the requested date of such Swingline Loan.

(b) The Swingline Lender may by written notice given to the Administrative Agent not later than 11:00 a.m., New York City time, on any Business Day require the Revolving Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which the Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Revolving Lender, specifying in such notice such Lender’s Applicable Percentage of such Swingline Loan or Loans. Each Revolving Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender’s Applicable Percentage of such Swingline Loan or Loans. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or

reduction whatsoever. Each Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Revolving Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Revolving Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

SECTION 2.06. Letters of Credit .

(a) General . Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit as the applicant thereof for its own account or for the account of any Restricted Subsidiary, in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, and the Issuing Bank shall issue such Letters of Credit, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions . To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or fax (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension, but in any event no less than three Business Days) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. It is understood that the reinstatement of all or a portion of a Letter of Credit in accordance with the terms thereof following a drawing thereunder shall not constitute an amendment, renewal or extension of such Letter of Credit. If requested by the Issuing Bank, the Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed \$5,000,000 and (ii) the Aggregate Revolving Exposure shall not exceed the aggregate Revolving Commitments.

(c) Expiration Date . Each Letter of Credit shall expire (or be subject to termination or non-renewal by notice from the Issuing Bank to the beneficiary thereof) at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after the then-current expiration date of such Letter of Credit, so long as such renewal or extension occurs within three months of such then-current expiration date) or (ii) the date that is five Business Days prior to the Revolving Credit Maturity Date; provided that (x) any Letter of Credit with a one year tenor may provide for the renewal thereof for additional one year periods (which shall in no event extend beyond the date referred to in clause (ii) above) under customary “evergreen” provisions and (y) if acceptable to the Issuing Bank, Letters of Credit may have expiration dates after the date the Revolving Credit Maturity Date so long as on the Revolving Credit Maturity Date any such Letter of Credit is cash collateralized in a manner reasonably satisfactory to the Issuing Bank or such other arrangements as may be acceptable to the Issuing Bank have been put in place.

(d) Participations . By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Revolving Lenders, the Issuing Bank hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender’s Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender’s Applicable Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section , or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement . If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than noon, New York City time, on (i) the Business Day immediately after the Business Day that the Borrower receives notice of such LC Disbursement, if such notice is received prior to 5:00 p.m., New York City time, on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or Section 2.05 that such payment be financed with an ABR Revolving Borrowing or Swingline Loan in an equivalent amount and, to the extent so financed, the Borrower’s obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing or Swingline Loan. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof, and such Lender’s Applicable Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis , to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank, as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute . The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section , constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. None of the Administrative Agent, the Revolving Lenders or the Issuing Bank, or any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit, any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures . The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by fax) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement.

(h) Interim Interest . If the Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section 2.06 , then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section 2.06 to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of the Issuing Bank . The Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Revolving Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b) . From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term “Issuing Bank” shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to any outstanding Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization . If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Revolving Lenders with LC Exposure representing greater than 50% of the aggregate LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Lenders (the “ LC Collateral Account ”), an amount in cash equal to 103% of the LC Exposure as of such date plus accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Section 7.01 . The Borrower also shall deposit cash collateral in accordance with this paragraph as and to the extent required by Section 2.11(b) or 2.20 . Each such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Secured Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over the LC Collateral Account and the Borrower hereby grants the Administrative Agent a security interest for the benefit of the Secured Parties in the LC Collateral Account and all moneys or other assets on deposit therein or credited thereto. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower’s risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in the LC Collateral Account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Lenders with LC Exposure representing greater than 50% of the aggregate LC Exposure), be applied to satisfy other Secured Obligations. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all such Events of Defaults have been cured or waived.

SECTION 2.07. Funding of Borrowings .

(a) Each Lender shall make each Loan to be made by such Lender hereunder on the proposed date thereof by wire transfer of immediately available funds by 2:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender's Applicable Percentage; provided that Term Loans shall be made as provided in Sections 2.01(b) and 2.02(b) and Swingline Loans shall be made as provided in Section 2.05 . The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to the Funding Account(s) or such other account as may be specified in a Borrowing Request; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Revolving Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections .

(a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section . The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section , the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or fax to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02 :

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

-
- (ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;
 - (iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and
 - (iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term “Interest Period”.

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the applicable Class of the details thereof and of such Lender’s portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued as a Eurodollar Borrowing with an Interest Period of one month. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.09. Termination and Reduction of Commitments .

(a) Unless previously terminated, (i) the Term Commitments shall terminate at 5:00 p.m., New York City time, on the Effective Date and (ii) all the Revolving Commitments shall terminate on the Revolving Credit Maturity Date.

(b) The Borrower may at any time terminate the Revolving Commitments upon (i) the payment in full of all outstanding Revolving Loans and LC Disbursements, together with accrued and unpaid interest thereon, (ii) the cancellation and return of all outstanding Letters of Credit (or alternatively, with respect to each such Letter of Credit, the furnishing to the Administrative Agent of a cash deposit (or at the discretion of the Administrative Agent a backup standby letter of credit reasonably satisfactory to the Administrative Agent) equal to 100% of the LC Exposure as of such date), (iii) the payment in full of the accrued and unpaid fees, and (iv) the payment in full of all reimbursable expenses and other Obligations together with accrued and unpaid interest thereon.

(c) The Borrower may from time to time reduce the Revolving Commitments; provided that (i) each reduction of the Revolving Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 and (ii) the Borrower shall not reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.10 , the Aggregate Revolving Exposure would exceed the aggregate Revolving Commitments.

(d) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Revolving Commitments under paragraph (b) or (c) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Revolving Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or other funding sources, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Revolving Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Revolving Commitments.

SECTION 2.10. Repayment and Amortization of Loans; Evidence of Debt .

(a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Revolving Lender the then unpaid principal amount of each Revolving Loan on the Revolving Credit Maturity Date, and (ii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Revolving Credit Maturity Date and the first date after such Swingline Loan is made that is the 10th day (or if such day is not a Business Day, the next succeeding Business Day) of a calendar month and is at least two Business Days after such Swingline Loan is made; provided that on each date that a Borrowing is made, the Borrower shall repay all Swingline Loans that were outstanding on the date such Borrowing was requested.

(b) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the ratable account of each Term Lender (i) on the last Business Day of each March, June, September and December, commencing with the first full fiscal quarter after the Effective Date, an amount equal to 0.25% of the aggregate principal amount of the Term Loans advanced on the Effective Date (as adjusted from time to time pursuant to Section 2.18(b)), which payments shall be reduced as a result of the application of prepayments in accordance with Section 2.11(f) solely to the extent of any such amounts applied to the prepayment of the Term Loans) and (ii) on the Term Maturity Date, the aggregate principal amount of all Term Loans outstanding on such date; provided that the amount of any such payment set forth above shall be adjusted to account for the addition of any Extended Loans or Incremental Term Loans to contemplate (A) the reduction in the aggregate principal amount of any Term Loans that were converted in connection with the incurrence of such Extended Loans, and (B) any increase to payments to the extent and as required pursuant to the terms of any applicable Incremental Facility Agreement involving a Term Loan Increase to the Term Loans.

(c) The Administrative Agent shall maintain accounts in accordance with its usual practices in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, if any, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11. Prepayment of Loans .

(a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing, without premium or penalty (subject to clause (h) of this Section 2.11 and Section 2.16), in whole or in part, subject to prior notice in accordance with paragraph (f) of this Section .

(b) In the event and on such occasion that the Aggregate Revolving Exposure exceeds the aggregate Revolving Commitments, the Borrower shall prepay the Revolving Loans, LC Exposure and/or Swingline Loans (or, if no such Borrowings are outstanding, deposit cash collateral in the LC Collateral Account in accordance with Section 2.06(j)), in an aggregate amount equal to such excess.

(c) In the event and on each occasion that any Net Proceeds are received by or on behalf of any Loan Party or any of its Restricted Subsidiaries (and Holdings may make Restricted Payments to any direct or indirect parent thereof) in respect of any Prepayment Event, the Borrower shall, promptly after such Net Proceeds are received by such Loan Party or Restricted Subsidiary (and in any case within five Business Days), prepay the Term Loans as set forth in Section 2.11(f) below in an aggregate amount equal to 100% of such Net Proceeds, provided that, in the case of any event described in clause (a) or (b) of the definition of the term “Prepayment Event”, if the Borrower shall deliver to the Administrative Agent a certificate of a Financial Officer to the effect that the Loan Parties intend to apply the Net Proceeds from such event (or a portion thereof specified in such certificate), within 360 days after receipt of such Net Proceeds; provided that if a binding commitment to reinvest is entered into within such period, the reinvestment period shall be extended an additional one hundred eighty (180) days from the end of such 360-day period, to acquire, maintain, develop, construct, improve, upgrade or repair assets useful in the business of the Loan Parties or to make any acquisition or investments permitted under Section 6.04 , and certifying that no Default has occurred and is continuing, then no prepayment shall be required pursuant to this paragraph in respect of the Net Proceeds specified in such certificate, provided that to the extent of any such Net Proceeds that have not been so applied by the end of such reinvestment period, a prepayment shall be required in an amount equal to such Net Proceeds that have not been so applied.

(d) If at the time that any prepayment would be required pursuant to clause (c) of this Section 2.11 , the Borrower (or any Subsidiary) is required to offer to repurchase Permitted Pari Passu Secured Refinancing Debt or any Incremental Equivalent secured on a *pari passu* basis with the Obligations (or, in each case, any Permitted Refinancing thereof that is secured on a *pari passu* basis with the Obligations under Loans required to be secured on a *pari passu* basis) pursuant to the terms of the documentation governing such Indebtedness with the Net Proceeds of such Prepayment Event (such Permitted Pari Passu Secured Refinancing Debt (or Permitted Refinancing thereof) or Incremental Equivalent secured on a *pari passu* basis with the Obligations (or Permitted Refinancing thereof) required to be offered to be so repurchased, “Other Applicable Indebtedness ”), then the Borrower may apply such Net Proceeds on a pro rata basis (determined on the basis of the aggregate outstanding principal amount of the Term Loan and Other Applicable Indebtedness at such time; provided that the portion of such Net Proceeds allocated to the Other Applicable Indebtedness shall not exceed the amount of such 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 Loans in accordance with the terms hereof) to the prepayment of the Loans and to the repurchase or prepayment of Other Applicable Indebtedness, and the amount of prepayment of the Loans that would have otherwise been required pursuant to Section 2.11(c) shall be reduced accordingly; provided, further, that to the extent the holders of Other Applicable Indebtedness decline to have such indebtedness repurchased or prepaid, 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 Loans in accordance with the terms hereof.

(e) In the event (i) the Borrower fails to make the Effective Date Purchase within the time period described in the definition thereof (including any extensions) or (ii) the actual purchase price of clubs (and related assets) in connection with the Effective Date Purchase is less than \$36,000,000, then, if the scenario described in clause (i) occurs, \$40,000,000 or if the scenario described in clause (ii) occurs an amount equal to \$40,000,000 less the actual purchase price paid (but not less than zero) shall, promptly but no later than 1 Business Day after such deadline, be applied to prepay the Term Loans as set forth in Section 2.11(f) below in an aggregate amount equal to 100% of the amounts so designated for the Effective Date Purchase, as the case may be.

(f) All prepayments required to be made pursuant to Sections 2.11(c) and (e) shall be applied, first to prepay the Term Loans (and in the event Term Loans of more than one Class shall be outstanding at the time, shall be allocated among the Term Loans pro rata based on the aggregate principal amounts of outstanding Term Loans of each such Class) as so allocated, which prepayments shall be applied to the remaining installments thereof as directed by the Borrower (it being understood and agreed that if the Borrower does not so direct at the time of such prepayment, such prepayment shall be applied against the scheduled repayments of Term Loans under Section 2.10(b) in direct order of maturity) and second to prepay the Revolving Loans (including Swingline Loans) without a corresponding reduction in the Revolving Commitments and third to cash collateralize outstanding LC Exposure.

(g) The Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by fax) of any prepayment under this Section : (i) in the case of prepayment of a Eurodollar Borrowing, not later than 12:00 p.m., New York City time, three Business Days before the date of prepayment, or (ii) in the case of prepayment of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 12:00 p.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that a notice of optional prepayment (other than any such notice delivered on the date of the proposed prepayment) may state that such notice is conditioned upon the effectiveness of other credit facilities or the receipt of the proceeds from the issuance of other Indebtedness or any other event, in which case such notice of prepayment may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified prepayment date) if such condition is not satisfied. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing or Term Loan shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02 , except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied (i) if applied to Revolving Loans, ratably among each Class of Revolving Loans and (ii) if applied to Term Loans, ratably to each Class of Term Loans (except with respect to any Incremental Term Loans, Refinancing Loans and/or Extending Loans that has agreed to accept less than ratable treatment to any other Class of Term Loans), and to the extent applied to any remaining scheduled installments of principal of any Term Loan pursuant to Section 2.10 , 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). Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13 .

(h) Any Term Lender may elect, by notice to the Administrative Agent by telephone (confirmed by facsimile) at least one Business Days prior to the prepayment date, to decline all or any portion of any prepayment of its Term Loans to be made pursuant to Section 2.11(c), in which case the aggregate amount of the prepayment that would have been applied to prepay Term Loans was so declined shall be retained by the Borrower (“Retained Declined Proceeds”).

(i) In the event that, on or prior to the date that is six (6) months after the Effective Date, the Borrower (x) prepays, refinances, substitutes or replaces any Term Loans pursuant to a Repricing Transaction (including, for avoidance of doubt, any prepayment made pursuant to Section 2.11(c) that constitutes a Repricing Transaction), or (y) 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 of the applicable Lenders, (i) in the case of clause (x), a prepayment premium of 1.00% of the aggregate principal amount of the Loans so prepaid, refinanced, substituted or replaced and (ii) in the case of clause (y), a fee equal to 1.00% of the aggregate principal amount of the applicable Term Loans outstanding immediately prior to such amendment; provided that no such premium or fee shall apply in the case of any prepayment, refinancings, substitution or replacement of any Term Loans in connection with any Change in Control, Transformative Acquisition or a Qualifying IPO. Such amounts shall be due and payable on the date of effectiveness of such Repricing Transaction.

Notwithstanding any other provisions of this Section 2.11, to the extent that the Borrower has determined in good faith that repatriation of any of or all the Net Proceeds of any disposition by a foreign Restricted Subsidiary, the Net Proceeds of any casualty event from a foreign Restricted Subsidiary would have material adverse tax consequences with respect to such Net Proceeds, such Net Proceeds so affected will not be required to be applied to repay Term Loans at the times provided in this Section 2.11 but may be retained by the applicable foreign Restricted Subsidiary until such time as such Net Proceeds may be up-streamed or transferred without incurring such tax liability.

SECTION 2.12. Fees .

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee, which shall accrue at the Applicable Rate on the daily amount of the undrawn portion of the Revolving Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which the Lenders’ Revolving Commitments terminate. Accrued commitment fees shall be payable in arrears on the last Business Day of March, June, September and December of each year and on the date on which the Revolving Commitments terminate, commencing on the last Business Day of June, 2014. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees with respect to Commitments, a Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans and LC Exposure of such Lender (and the Swingline Exposure of such Lender shall be disregarded for such purpose).

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurodollar Revolving Loans on the daily amount of such Lender’s LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender’s Revolving Commitment terminates and the

date on which such Lender ceases to have any LC Exposure, and (ii) to the Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% per annum (or such lesser fee as shall be acceptable to the Issuing Bank) on the daily amount of the LC Exposure attributable to Letters of Credit issued by the Issuing Bank (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees and commissions with respect to the issuance, amendment, cancellation, negotiation, transfer, presentment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the last Business Day of March, 2013; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest .

(a) The Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, during the occurrence and continuance of an Event of Default under clauses (a) , (b) , (h) and (i) of Section 7.01 , (i) all Loans shall bear interest at 2% plus the rate otherwise applicable to such Loans as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount outstanding hereunder, such amount shall accrue at 2% plus the rate applicable to such fee or other obligation as provided hereunder.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed. The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest . If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or fax as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective, and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing.

SECTION 2.15. Increased Costs . (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or the Issuing Bank; or

(ii) impose on any Lender or the Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) , (c) and (e) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender, the Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender, the Issuing Bank or such other Recipient hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender, the Issuing Bank or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Bank or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or the Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor; provided, further, that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments . In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(d) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower to replace a Lender pursuant to Section 2.19(b), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Eurodollar Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Eurodollar Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Eurodollar Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.17. Taxes .

(a) Withholding Taxes; Gross-Up; Payments Free of Taxes . Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.17), the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by Loan Parties . The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) Evidence of Payment . As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17 , such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment, or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Borrower . The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Loan Party by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders . Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. 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 any Loan Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph (e) .

(f) Status of Lenders .

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A) , 2.17(f)(ii)(B) , and 2.17(f)(ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9(or any successor thereto) certifying that such Lender is exempt from or otherwise not subject to U.S. Federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) 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, (x) a certificate substantially in the form of Exhibit C-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section

871(h)(3)(B) or Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “**U.S. Tax Compliance Certificate**”) and (y) executed originals of IRS Form W-8BEN; or

(4) to the extent a Foreign Lender is not the Beneficial Owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-2 or Exhibit C-3, IRS Form W-9, and/or other certification documents from each Beneficial Owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 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 clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds . If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by

the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g) , in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) , the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party 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 paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival . Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Defined Terms . For purposes of this Section 2.17 , the term "Lender" includes any Issuing Bank and the term "applicable law" includes FATCA.

SECTION 2.18. Payments Generally; Allocation of Proceeds; Sharing of Set-offs .

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15 , 2.16 or 2.17 , or otherwise) prior to 3:00 p.m., New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 270 Park Ave, 43rd Floor New York, New York 10017, except payments to be made directly to the Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15 , 2.16 , 2.17 and 9.03 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under any Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) Any proceeds of Collateral received by the Administrative Agent (i) not constituting either (A) a specific payment of principal, interest, fees or other sum payable under the Loan Documents (which shall be applied as specified by the Borrower), (B) a mandatory prepayment (which shall be applied in accordance with Section 2.11) or (C) amounts used to cash collateralize LC Exposure or (ii) after an Event of Default has occurred and is continuing and the Administrative Agent so elects or the Required Lenders so direct, shall be applied ratably first , to pay any fees, indemnities, or expense reimbursements including amounts then due to the Administrative Agent, the Swingline Lender and the Issuing Bank from the Borrower (other than in connection with Banking Services or Swap Obligations), second , to pay any fees or expense reimbursements then due to the Lenders from the Borrower (other than in connection with Banking Services or Swap Obligations), third , to pay interest then due and payable on the Loans ratably, fourth , to prepay principal on the Loans and unreimbursed LC Disbursements and to pay any amounts owing with respect to Swap Obligations and Banking Services Obligations up to and including the amount most recently provided to the Administrative Agent pursuant to Section 2.22 , ratably (with amounts allocated to the Term Loans of any Class applied to reduce the subsequent

scheduled repayments of the Term Loans of such Class to be made pursuant to Section 2.10 ratably based on the amount of such scheduled repayments), fifth , to pay an amount to the Administrative Agent equal to one hundred percent (100%) of the aggregate LC Exposure, to be held as cash collateral for such Obligations, and sixth , to the payment of any other Secured Obligation due to the Administrative Agent or any Lender from the Borrower or any other Loan Party . Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Borrower, or unless a Default is in existence, neither the Administrative Agent nor any Lender shall apply any payment which it receives to any Eurodollar Loan of a Class, except (i) on the expiration date of the Interest Period applicable thereto, or (ii) in the event, and only to the extent, that there are no outstanding ABR Loans of the same Class and, in any such event, the Borrower shall pay the break funding payment required in accordance with Section 2.16 . The Administrative Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments to any portion of the Secured Obligations.

Notwithstanding the foregoing, Secured Obligations arising under Banking Services Obligations or Swap Obligations shall be excluded from the application in clause fourth described above and paid in clause sixth if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may have reasonably requested from the applicable provider of such Banking Services or Swap Obligations.

(c) At the election of the Administrative Agent, all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees and expenses pursuant to Section 9.03), and other sums payable under the Loan Documents that are not paid when due (after any applicable grace period) in accordance with the Loan Documents, subject to five Business Days prior written notice to the Borrower, may be paid from the proceeds of Borrowings made hereunder, whether made following a request by the Borrower pursuant to Section 2.03 or 2.05 or a deemed request as provided in this Section 2.18 or may be deducted from any deposit account of the Borrower maintained with the Administrative Agent. The Borrower hereby irrevocably authorizes, solely to the extent a payment is not paid by a Loan Party by the required time set forth in the Loan Documents (after any applicable grace period) (i) the Administrative Agent to make a Borrowing for the purpose of paying each payment of principal, interest and fees due hereunder or any other amount due under the Loan Documents and agrees that all such amounts charged shall constitute Loans (including Swingline Loans), and that all such Borrowings shall be deemed to have been requested pursuant to Sections 2.03 or 2.05 , as applicable, and (ii) the Administrative Agent to charge any deposit account of the Borrower maintained with the Administrative Agent for each payment of principal, interest and fees due hereunder or any other amount due under the Loan Documents.

(d) If, except as otherwise expressly provided herein, any Lender shall, by exercising any right of set off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans, Commitments or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements or Swingline Loans and accrued interest thereon than the proportion received by any other similarly situated Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements or Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by all such Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans, Commitments and participations in LC Disbursements or Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express

terms of this Agreement or any payment obtained by a Lender as consideration for the assignment or sale of a participation in any of its Loans, Commitments or participations in LC Disbursements and Swingline Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) If any Lender shall fail to make any payment required to be made by it pursuant to Sections 2.05 , 2.06(d) or (e) , 2.07(b) , 2.18(e) or 9.03(c) hereunder, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent, the Swingline Lender or the Issuing Bank to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under such Sections. Application of amounts pursuant to (i) and (ii) above shall be made in such order as may be determined by the Administrative Agent in its discretion.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders .

(a) If any Lender or the Issuing Bank requests compensation under Section 2.15 , or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender, the Issuing Bank or any Governmental Authority for the account of any Lender pursuant to Section 2.17 , then such Lender or the Issuing Bank, as applicable, shall use reasonable efforts to designate a different lending office for funding or booking its Loans, LC Disbursements or participations in LC Disbursements (as applicable) hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or the Issuing Bank, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17 , as the case may be, in the future and (ii) would not subject such Lender or the Issuing Bank to any unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Lender or the Issuing Bank. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the Issuing Bank in connection with any such designation or assignment.

(b) If any Lender or the Issuing Bank requests compensation under Section 2.15 , or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender, the Issuing Bank or any Governmental Authority for the account of any Lender or the Issuing Bank) pursuant to Section 2.17 , or if any Lender or the Issuing Bank becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender or the Issuing Bank and the Administrative

Agent, require such Lender or the Issuing Bank to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement and the other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender or another Issuing Bank, if a Lender or the Issuing Bank accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and in circumstances where its consent would be required under Section 9.04 , the Issuing Bank), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and funded participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, 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) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17 , such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and 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 2.20. Defaulting Lenders . Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Term Loans and Revolving Commitment of such Defaulting Lender pursuant to Section 2.12(a) ;

(b) to the extent permitted by applicable law, (i) any voluntary prepayment of Revolving Loans shall, if the Borrower so directs at the time of making such voluntary prepayment, be applied to the Revolving Loans of other Lenders as if such Defaulting Lender had no Revolving Loans outstanding and the Revolving Exposure of such Defaulting Lender were zero, and (ii) any mandatory prepayment of the Revolving Loans shall, if the Borrower so directs at the time of making such mandatory prepayment, be applied to the Revolving Loans of other Lenders, but not to the Revolving Loans of such Defaulting Lender, it being understood and agreed that the Borrower shall be entitled to retain any portion of any mandatory prepayment of the Revolving Loans that is not paid to such Defaulting Lender solely as a result of the operation of the provisions of this clause (b) ;

(c) such Defaulting Lender shall not have the right to vote on any issue on which voting is required (other than to the extent expressly provided in Section 9.02(b)) and the Commitment and Revolving Exposure and, if applicable, Term Loans of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder or under any other Loan Document; provided that this clause (c) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender affected thereby, except (i) such Defaulting Lender's Commitment may not be increased or extended without its consent and (ii) the principal amount of, or interest or fees payable on, Loans or LC Disbursements may not be reduced or excused or the scheduled date of payment may not be postponed as to such Defaulting Lender without such Defaulting Lender's consent;

(d) if any Swingline Exposure or LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent that (x) the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), (y) the sum of all non-Defaulting Lenders' Revolving Exposures plus such Defaulting Lender's Swingline Exposure and LC Exposure does not exceed the total of all non-Defaulting Lenders' Revolving Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize, for the benefit of the Issuing Bank, the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Sections 2.12(a) and 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(e) so long as such Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and such Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.20(d), and participating interests in any such newly made Swingline Loan or newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.20(d)(i) (and such Defaulting Lender shall not participate therein).

In the event that each of the Administrative Agent, the Borrower, the Swingline Lender and the Issuing Bank agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Commitment and on the date of such readjustment such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

SECTION 2.21. Returned Payments . If after receipt of any payment which is applied to the payment of all or any part of the Obligations, the Administrative Agent or any Lender is for any reason compelled to surrender such payment or proceeds to any Person because such payment or application of proceeds is invalidated, declared fraudulent, set aside, determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason, then the Obligations or part thereof intended to be satisfied shall be revived and continued and this Agreement shall continue in full force as if such payment or proceeds had not been received by the Administrative Agent or such Lender. The provisions of this Section 2.21 shall be and remain effective notwithstanding any contrary action which may have been taken by the Administrative Agent or any Lender in reliance upon such payment or application of proceeds. The provisions of this Section 2.21 shall survive the termination of this Agreement.

SECTION 2.22. Banking Services and Swap Agreements . Each Lender or Affiliate thereof providing Banking Services for, or having Swap Agreements with, any Loan Party or any of its Restricted Subsidiaries shall deliver to the Administrative Agent, promptly after entering into such Banking Services or Swap Agreements, written notice setting forth the aggregate amount of all Banking Services Obligations and Swap Obligations of such Loan Party to such Lender or Affiliate (whether matured or unmatured, absolute or contingent). In furtherance of that requirement, each such Lender or Affiliate thereof shall furnish the Administrative Agent, upon the reasonable request of the Administrative Agent, a summary of the amounts due or to become due in respect of such Banking Services Obligations and Swap Obligations. The most recent information provided to the Administrative Agent shall be used in determining which tier of the waterfall, contained in Section 2.18(b) , in which such Banking Services Obligations and/or Swap Obligations will be placed.

SECTION 2.23. Increase in Commitments .

(a) The Borrower may at any time or from time to time after the Effective Date, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly deliver a copy to each of the Lenders), request (x) one or more new commitments which may be of the same Class as any outstanding Term Loans (a “Term Loan Increase”) or a new Class of Term Loans (collectively with any Term Loan Increase, the “Incremental Term Loans”), or (y) one or more increases in the amount of the Revolving Commitments (each such increase, a “Revolving Commitment Increase”, together with any Incremental Term Loans, referred to herein as an “Incremental Facility”), provided that (i) at the time of each such request and upon the effectiveness of each Incremental Facility, (x) no Default or Event of Default has occurred and is continuing or would result therefrom (except, notwithstanding the requirements of Section 4.02 , at the option of the Borrower in connection with an acquisition, in lieu of such condition, (A) no Event of Default shall be continuing at the time of execution of the applicable contract or agreement for such acquisition and (B) no Event of Default under Sections 7.01(a) , (b) , (h) or (i) shall be continuing at the time of making such acquisition)) and (y) the condition in Section 4.02(b) shall be satisfied (except, notwithstanding the requirements of Section 4.02 , at the option of the Borrower in connection with an acquisition, in lieu of such condition, such representations shall be limited to the Specified Representations (as defined in the Existing Credit Agreement, which shall be conformed as reasonably necessary for such acquisition to provide for certainty of funding in connection with such transaction)), (ii) no Lender shall be obligated to provide an Incremental Facility as a result of any such request by the Borrower, and until such time, if any, as such Lender has agreed in its sole discretion to provide an Incremental Facility and executed and delivered to the Administrative Agent and the Borrower an Incremental Facility Agreement as provided in clause (c) of this Section 2.23 , such Lender shall not be obligated to fund any Incremental Facility, (iii) any Lender may so provide an Incremental Facility

without the consent of any other Lender, (iv) Incremental Facilities shall be denominated in dollars, (v) the Incremental Loan Commitment Requirements shall have been satisfied, and (vi) the provision of Incremental Facilities pursuant to this Section 2.23 on a given date pursuant to a particular Incremental Facility Agreement shall be in a minimum aggregate amount of \$5,000,000 (provided that such amount may be less than \$5,000,000 if such amount represents all remaining availability under the limit set forth in the next sentence). Notwithstanding anything to the contrary herein, the aggregate amount of the Incremental Facilities shall not exceed the sum of (the “ Incremental Cap ”): (i) \$75,000,000 plus (ii) an amount so long as, in the case of this clause (ii) , the First Lien Net Leverage Ratio would not exceed 0.25:1.00 below the First Lien Net Leverage Ratio on the Effective Date, calculated at the time of incurrence on a pro forma basis after giving effect thereto and the application of the proceeds thereof, and assuming any such Incremental Facility is secured on a first lien basis, whether or not so secured (and, in the case of any Revolving Commitment Increase, assuming a full drawing of such Revolving Commitment Increase). The amount of such Incremental Facility together with any Incremental Equivalent Debt shall not exceed the Incremental Cap.

(b) The Incremental Term Loans (i) shall rank *pari passu* in right of payment and *pari passu* or junior (subject to an intercreditor agreement reasonably satisfactory in form and substance to the Administrative Agent) with respect to security with the existing Term Loans, shall not be guaranteed by any Person that has not guaranteed the existing Term Loans and shall not be secured by assets other than Collateral; (ii) shall mature on such date and amortize on such schedule as each may be agreed by the Borrower and the Lenders providing such Incremental Term Loan, provided that, as of the date of incurrence, no Incremental Term Loan shall mature earlier than the Term Maturity Date and, as of the date of incurrence, each Incremental Term Loan shall have a Weighted Average Life to Maturity that is no shorter than the then remaining Weighted Average Life to Maturity of the existing Term Loans; (iii) except with respect to the applicable interest rate (subject to clause (e) below) and as set forth in this clause (b) , shall be on terms and pursuant to documentation determined by the Borrower and the Additional Lenders providing the Incremental Term Loans, (iv) may participate on a pro rata basis or less than pro rata basis (but not on a greater than pro rata basis (except in respect of any voluntary prepayments of any Class of Loans with an earlier maturity date than any other Class of Loans)) in any voluntary or mandatory prepayments of Loans hereunder; and (v) may include any Previously Absent Financial Covenant so long as the Administrative Agent shall have been given prompt written notice thereof and this Agreement is amended to include such Previously Absent Financial Covenant for the benefit of each Class (provided , however , that if (x) the documentation governing any Incremental Facility that includes a Previously Absent Financial Covenant in respect of and for the benefit of an Incremental Revolving Commitment only and (y) such Previously Absent Financial Covenant is a “springing” financial maintenance covenant solely for the benefit of a Class of Revolving Loans (and not any Class of Term Loans), the Previously Absent Financial Covenant shall only be required to be included in this Agreement for the benefit of Revolving Loans); provided that (x) the terms and conditions applicable to the Incremental Loans may also include any additional or different financial or other covenants or other provisions that are agreed between the Borrower and the Lenders thereof so long as such additional covenants or other provisions are applicable only during periods after the latest Maturity Date for the Term Loans in effect on the date the Incremental Loans are issued, incurred or obtained or the date on which all non-refinanced Obligations are paid in full and (y) to the extent such terms and documentation are not consistent with the existing Term Loans (except with respect to the applicable interest rate, upfront fees, original issue discount or similar fees and as otherwise set forth in this paragraph), such terms and documentation shall be reasonably satisfactory to the Administrative Agent; provided , further , that (x) any Incremental Term Loans that rank *pari passu* in right of security and are issued pursuant to an agreement other than this Agreement shall be in the form of notes and not loans and (y) to the extent such Incremental Term Loans rank junior with respect to security with the existing Term Loans, such Incremental Term Loans shall be subject to an intercreditor arrangement reasonably satisfactory to the Administrative Agent.

(c) Each notice from the Borrower pursuant to this Section 2.23 shall set forth the requested amount and proposed terms of the relevant Incremental Facility. Incremental Term Loans may be made, and Revolving Commitment Increases may be provided, by any existing Lender or by any other bank or other financial institution (any such other bank or other financial institution being called an “ Additional Lender ”), provided that the Borrower and the Administrative Agent and, in the case of a Revolving Commitment Increase, the Issuing Bank and each Swingline Lender shall have consented (such consents not to be unreasonably withheld, conditioned or delayed) to such Lender’s or Additional Lender’s making such Incremental Term Loans or providing such Revolving Commitment Increases, as applicable. Commitments in respect of Incremental Facilities shall become effective pursuant to an amendment (an “ Incremental Facility Agreement ”) to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Lender agreeing to provide such Incremental Facilities, if any, each Additional Lender, if any, and the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed). The Incremental Facility Agreement 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 2.22 . The effectiveness of any Incremental Facility Agreement shall be subject to the satisfaction on the date thereof (each, an “ Incremental Facility Effective Date ”) of each of the conditions set forth in Section 4.02 (other than as set forth in clause (a) of this Section 2.23) and such other conditions as the parties thereto shall agree.

(d) The Borrower will use the proceeds of the Incremental Term Loans and Revolving Commitment Increases for any purpose not prohibited by this Agreement. No Lender shall be obligated to provide any Incremental Facility, unless it so agrees in writing. Upon each increase in the Revolving Credit Commitments pursuant to this Section 2.23 , 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 the Revolving Commitment Increase (each, a “ Revolving Commitment Increase Lender ”) in respect of such increase, and each such Revolving Commitment Increase 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 Swingline Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding (i) participations hereunder in Letters of Credit and (ii) participations hereunder in Swingline Loans held by each Revolving Lender (including each such Revolving Commitment Increase Lender) will equal the percentage of the aggregate Revolving Commitments of all Revolving Lenders represented by such Revolving Lender’s Revolving Credit Commitment. In addition, (x) each of the Revolving Credit Lenders immediately prior to such increase shall assign to each Revolving Commitment Increase Lender and each of the Incremental Revolving Credit Lenders shall purchase from each of the Revolving Credit Lenders, at the principal amount thereof, such interests in the Incremental Revolving Loans outstanding on such Incremental Facility Agreement closing date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Loans will be held by existing Revolving Credit Lenders and Revolving Commitment Increase Lender ratably in accordance with their Revolving Credit Commitments after giving effect to the addition of such Revolving Commitment Increases, (y) each Incremental Revolving Credit Commitment shall be deemed for all purposes a Revolving Credit Commitment and each Loan made thereunder shall be deemed, for all purposes, a Revolving Credit Loan and (z) each Incremental Revolving Credit Lender shall become a Lender with respect to the Incremental Revolving Credit Commitments and all matters relating thereto. 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 two preceding sentences so long as the Revolving Lenders and Term Lenders do not receive less than pro rata treatment.

(e) The All-In Yield applicable to the Incremental Facility, that is secured on a *pari passu* basis with the Obligations, shall be determined by the Borrower and the applicable lenders and shall be set forth in each applicable Incremental Facility Agreement; provided, however, that (A) with respect to any Incremental Facility, the All-In Yield applicable to such Incremental Facility shall not be greater than the applicable All-In Yield payable pursuant to the terms of this Agreement as amended through the date of such calculation with respect to Loans existing at such time plus 50 basis points per annum unless the interest rate (together with, as provided in the proviso below, the Adjusted LIBO Rate floor or Alternate Base Rate floor) with respect to such Loans is increased so as to cause the then applicable All-In Yield under this Agreement on such Loans to equal the All-In Yield then applicable to the Incremental Facility minus 50 basis points; provided that any increase in All-In Yield to any Loan due to the application or imposition of a Adjusted LIBO Rate floor or Alternate Base Rate floor on any Incremental Facility shall be effected solely through an increase in (or implementation of, as applicable) of a Adjusted LIBO Rate floor or Alternate Base Rate floor for such Loan. For the avoidance of doubt this clause (e) shall not apply to Incremental Equivalent Debt incurred in compliance with clause (f) below.

(f) The Borrower may, upon notice to the Administrative Agent, at any time or from time to time after the Effective Date, issue, incur or otherwise obtain Indebtedness of the Borrower (and any refinancing thereof) in respect of one or more series of senior or subordinated notes (which may be unsecured or secured on a *pari passu* or junior lien basis with the Obligations under the initial Loans), in each case issued in a public offering, Rule 144A or other private placement or bridge in lieu of the foregoing, or senior or subordinated mezzanine Indebtedness (which may be in the form of loans or notes and limited to being unsecured or secured solely on a junior lien basis), in each case, that are issued or made in lieu of Incremental Facility (the “Incremental Equivalent Debt”); provided that (i) if such Incremental Equivalent Debt is secured, the obligations in respect thereof shall not be secured by any Lien on any asset of any Loan Party or any Restricted Subsidiary other than any asset constituting Collateral and such Incremental Equivalent Debt shall not be subject to any guarantee by any Person other than the Loan Guarantors, (ii) if such Incremental Equivalent Debt is (x) secured on a *pari passu* or junior basis with the Obligations under the initial Loans, then such Incremental Equivalent Debt shall be subject to an intercreditor agreement that is reasonably satisfactory, in form and substance, to the Administrative Agent and the Borrower or (y) unsecured and subordinated to the Obligations, then such Incremental Equivalent Debt shall be subject to a lien subordination and intercreditor arrangement reasonably satisfactory, in form and substance, to the Administrative Agent and the Borrower, (iii) such Incremental Equivalent Debt (A) shall have a final maturity date which is no earlier than ninety-one (91) days after the Latest Maturity Date then existing and (B) shall not have a Weighted Average Life to Maturity which is shorter than the Weighted Average Life to Maturity of the then existing Term Loans, (iv) such Incremental Equivalent Debt shall not be subject to any mandatory redemption or prepayment provisions or rights (except to the extent any such mandatory redemption or prepayment is required to be applied first or pro rata to the Loans and any first lien secured incremental notes required to be secured on a first lien basis and except with respect to customary “AHYDO catch-up payments”, customary offers to repurchase and prepayment events upon a change of control and a customary acceleration right after an event of default), (v) except as otherwise set forth in this clause (f), such Incremental Equivalent Debt shall have covenants and defaults no more restrictive (excluding pricing and optional prepayment or redemption terms), when taken as a whole, than those with respect to the initial Loans (except for covenants or other provisions applicable only to periods after the Latest Maturity Date of the Loan) and such terms and conditions shall be current market terms for such type of Incremental Equivalent Debt (as reasonably determined in good faith by the Borrower), (vi) no Event of Default shall have occurred and be continuing or would exist immediately after giving effect to such incurrence (except, notwithstanding at the option of the Borrower in connection with an acquisition, in lieu of such condition, (A) no Event of Default shall be continuing at the time of execution of the applicable contract or agreement for such acquisition and (B) no Event of Default under Sections 7.01(a), (b), (h) or (i) shall be continuing at the time of making such acquisition) and (vii) the amount of such Incremental Equivalent Debt together with any Incremental Facility shall not exceed the Incremental Cap.

SECTION 2.24. Refinancing Debt . (a) Refinancing Commitments . The Borrower may at any time or from time to time after the Effective Date, by notice to the Administrative Agent (a “ Refinancing Loan Request ”), request a new Class of Loans (any such new Class, “ Refinancing Commitments ”) established in exchange for, or to extend, renew, replace, repurchase, retire or refinance, in whole or in part, existing Loans or Commitments (with respect to a particular Refinancing Commitment or Refinancing Loan, such existing Loans or Commitments, “ Refinanced Debt ”), whereupon the Administrative Agent shall promptly deliver a copy to each of the Lenders.

(b) Refinancing Loans . Any Refinancing Loans made on a Refinancing Facility Closing Date shall be designated a separate Class of Refinancing Loans for all purposes of this Agreement. On any Refinancing Facility Closing Date on which any Refinancing Commitments of any Class are effected, subject to the satisfaction of the terms and conditions in this Section 2.24 , each Refinancing Lender of such Class shall make a Loan to the Borrower (a “ Refinancing Loan ”) in an amount equal to its Refinancing Commitment of such Class.

(c) Refinancing Loan Request . Each Refinancing Loan Request from the Borrower pursuant to this Section 2.24 shall set forth the requested amount and proposed terms of the relevant Refinancing Loans. Refinancing Loans may be made, by any existing Lender (but no existing Lender will have an obligation to make any Refinancing Commitment, nor will the Borrower have any obligation to approach any existing Lender to provide any Refinancing Commitment) or by any additional Lender (each such existing Lender or additional Lender providing such Commitment or Loan, a, “ Refinancing Lender ”); provided that (i) the Administrative Agent shall have consented (not to be unreasonably withheld or delayed) to such additional Lender’s making such Refinancing Loans to the extent such consent, if any, would be required under Section 9.04 for an assignment of Loans to such Lender or additional Lender and (ii) with respect to Refinancing Commitments, any Affiliated Lender providing a Refinancing Commitment shall be subject to the same restrictions set forth in Section 9.04 as they would otherwise be subject to with respect to any purchase by or assignment to such Affiliated Lender of Loans.

(d) Effectiveness of Refinancing Amendment . The effectiveness of any Refinancing Amendment, shall be subject to the satisfaction on the date thereof (a “ Refinancing Facility Closing Date ”) of each of the following conditions, together with any other conditions set forth in the Refinancing Amendment:

(i) after giving effect to such Refinancing commitments, except as otherwise agreed by the Refinancing Lenders, (x) the representations and warranties of each Loan Party set forth in Article III and in each other Loan Document shall be true and correct in all material respects on and as of the Refinancing Facility Closing Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case 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, and (y) except as otherwise agreed by the Refinancing Lenders, no Default shall exist or would result from the Refinancing Loan or from the application of the proceeds therefrom;

(ii) each Refinancing Commitment shall be in an aggregate principal amount that is not less than \$10,000,000 and shall be in an increment of \$5,000,000 (provided that such amount may be less than \$10,000,000 and not in an increment of \$5,000,000 if such amount is equal to the entire outstanding principal amount of Refinanced Debt that is in the form of Loans); and

(iii) to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of (i) customary legal opinions, board resolutions and officers' certificates consistent with those delivered on the Effective Date (conformed as appropriate) other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent and (ii) reaffirmation agreements and/or such amendments to the Loan Documents as may be reasonably requested by the Administrative Agent in order to ensure that such Refinancing Lenders are provided with the benefit of the applicable Loan Documents.

(e) Required Terms . The terms, provisions and documentation of the Refinancing Loans of any Class shall be as agreed between the Borrower and the applicable Refinancing Lenders providing such Refinancing Commitments, and except as otherwise set forth herein, to the extent not identical to any Class of Loans each existing on the Refinancing Facility Closing Date, shall be consistent with clauses (i) and (ii) below, as applicable, and otherwise reasonably satisfactory to the Administrative Agent. In any event:

(i) the Refinancing Loans:

(A) as of the Refinancing Facility Closing Date, shall not have a final scheduled maturity date earlier than the Maturity Date of the Refinanced Debt;

(B) as of the Refinancing Facility Closing Date, shall not have a Weighted Average Life to Maturity shorter than the remaining Weighted Average Life to Maturity of the Refinanced Debt;

(C) any Permitted Junior Secured Refinancing Debt or Permitted Unsecured Refinancing Debt shall have a final maturity date which is no earlier than ninety-one (91) days after the Latest Maturity Date then existing;

(D) shall have an Applicable Margin and Adjusted LIBO Rate or Base Rate floor (if any), and subject to clauses (A) and (B) above, amortization determined by the Borrower and the applicable Refinancing Lenders;

(E) shall have fees determined by the Borrower and the applicable Refinancing Loan arranger(s);

(F) may participate on a pro rata basis or less than pro rata basis (but not on a greater than pro rata basis (except in respect of any voluntary prepayments of any Class of Loans with an earlier Maturity Date than any other Classes of Loans)) in any voluntary or mandatory prepayments of Loans hereunder, or if junior in right of security, shall be on a junior basis with respect thereto,

(G) shall not have a greater principal amount than the principal amount of the Refinanced Debt plus accrued interest, fees, premiums (if any) and penalties thereon and reasonable fees, expenses, original issue discount and upfront fees associated with the refinancing;

(H) (I) shall rank *pari passu* or junior in right of payment with the Obligations under the initial Loans that are senior in right of payment and (II) shall be secured by the Collateral and shall rank *pari passu* (which may be in the form of notes and loans limited to being unsecured or secured solely on a junior lien basis) or junior in right of security with the Obligations under the initial Loans (and, if applicable, subject to a subordination agreement and/or an intercreditor agreement (or, alternatively, terms in the Refinancing Amendment substantially similar to those in such applicable agreement, as agreed by the Borrower and Administrative Agent) or other lien subordination and intercreditor arrangement reasonably satisfactory to the Borrower and the Administrative Agent); and

(I) may include any Previously Absent Financial Covenant so long as the Administrative Agent shall have been given prompt written notice thereof and this Agreement is amended to include such Previously Absent Financial Covenant for the benefit of each Class (provided , however , that if (x) the documentation governing any Refinancing Amendment that includes a Previously Absent Financial Covenant in respect of and for the benefit of a “Revolving Commitment” only and (y) such Previously Absent Financial Covenant is a “springing” financial maintenance covenant solely for the benefit of a Class of revolving loans (and not any Class of term loans), the Previously Absent Financial Covenant shall only be required to be included in this Agreement for the benefit of Revolving Loans.

(f) Refinancing Amendment . Commitments in respect of Refinancing Loans shall become additional Commitments pursuant to an amendment (a “ Refinancing Amendment ”) to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Refinancing Lender providing such Commitments and the Administrative Agent. The Refinancing Amendment may, without the consent of any other Loan Party, Agent or Lender, 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 2.24 , including amendments as deemed necessary by the Administrative Agent in its reasonable judgment to effect any lien or payment subordination and associated rights of the applicable Lenders to the extent any Refinancing Loans are to rank junior in right of security or payment or to address technical issues relating to funding and payments. The Borrower will use the proceeds of the Refinancing Loans to extend, renew, replace, repurchase, retire or refinance, substantially concurrently, the applicable Refinanced Debt.

(g) Refinancing Equivalent Debt .

(i) In lieu of incurring any Refinancing Loans, the Borrower may, upon notice to the Administrative Agent, at any time or from time to time after the Effective Date issue, incur or otherwise obtain (A) secured Indebtedness in the form of one or more series of senior secured notes (such notes, “ Permitted Pari Passu Secured Refinancing Debt ”), (B) secured Indebtedness in the form of one or more series of second lien (or other junior lien) secured notes or second lien (or other junior lien) secured loans (such notes or loans, “ Permitted Junior Secured Refinancing Debt ”) and (C) unsecured or subordinated Indebtedness in the form of one or more series of unsecured or subordinated notes or term loans (such notes or term loans, “ Permitted Unsecured Refinancing Debt ” and together with Permitted Pari Passu Secured Refinancing Debt and Permitted Junior Secured Refinancing Debt, and, in each case, any Permitted Refinancing thereof, “ Refinancing Equivalent Debt ”), in each case, in exchange for, or to extend, renew, replace, repurchase, retire or refinance, in whole or in part, any existing Class of Loans (such Loans, “ Refinanced Loans ”).

(ii) Any Refinancing Equivalent Debt:

(A) (A) shall not have a Maturity Date prior to the date that is on or after the Maturity Date of the Refinanced Loans (and, in the case of any Permitted Junior Secured Refinancing Debt and Permitted Unsecured Refinancing Debt, such Refinancing Equivalent Debt shall have a final maturity date which is no earlier than ninety-one (91) days after the Latest Maturity Date then existing), (B) if in the form of term loans, shall not have a Weighted Average Life to Maturity shorter than the remaining Weighted Average Life to Maturity of the Refinanced Loans, (C) if in the form of notes, shall not have scheduled amortization or payments of principal and not be subject to mandatory redemption, repurchase, prepayment or sinking fund obligations (other than customary “AHYDO catch-up payments”, offers to repurchase and prepayment events upon a change of control, asset sale or event of loss and a customary acceleration right after an event of default), in each case prior to the Maturity Date of the Refinanced Loans, (D) has the same primary obligor and the same (or fewer) guarantors as the Refinanced Loans, (E) if in the form of subordinated Permitted Unsecured Refinancing Debt, shall be subject to a subordination agreement to which a representative acting on behalf of the holders of such Permitted Unsecured Refinancing Debt shall have become a party or otherwise subject (or, alternatively, terms in the definitive documentation for such Refinancing Equivalent Debt substantially similar to those in such applicable agreement, as agreed by the Borrower and Administrative Agent); provided that if such Permitted Unsecured Refinancing Debt is the initial subordinated Permitted Unsecured Refinancing Debt incurred by the Borrower, then the Loan Parties, the Administrative Agent and a representative for such Permitted Unsecured Refinancing Debt shall have executed and delivered a subordination agreement as reasonably agreed by the Administrative Agent, (F) shall not have a greater principal amount than the principal amount of the Refinanced Term Loans plus accrued interest, fees, premiums (if any) and penalties thereon and reasonable fees, expenses, original issue discount and upfront fees associated with the refinancing, (G) shall not include any Previously Absent Financial Covenant and (H) except as otherwise set forth in this clause (g)(ii), shall have terms and conditions (other than with respect to pricing, fees, rate floors and optional prepayment or redemption terms) substantially similar to, or (taken as a whole) no more favorable (as reasonably determined by the Borrower) to the lenders or holders providing such Refinancing Equivalent Debt, than those applicable to the Refinanced Loans (except for covenants or other provisions applicable only to periods after the Latest Maturity Date at the time of the issuance or incurrence of such Refinancing Equivalent Debt) and such terms and conditions shall be current market terms for such type of Refinancing Equivalent Debt (as reasonably determined in good faith by the Borrower),

(B) (A) if either Permitted *Pari Passu* Secured Refinancing Debt or Permitted Junior Secured Refinancing Debt, shall be subject to security agreements relating to such Refinancing Equivalent Debt that are substantially the same as or more favorable to the Loan Parties than the Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent), (B) if Permitted *Pari Passu* Secured Refinancing Debt, (x) shall be secured by the Collateral on a *pari passu* basis with the Obligations under the initial Loans and shall not be secured by any property or assets of Holdings, the Borrower or of its Subsidiary other than the Collateral, and (y) shall be subject to an intercreditor agreement to which a representative acting on behalf of the holders of such Permitted *Pari Passu* Secured Refinancing Debt shall have become a party or otherwise subject; provided that if such Permitted *Pari Passu* Secured Refinancing Debt is the initial Permitted *Pari Passu* Secured Refinancing Debt incurred by the Borrower, then the Loan Parties, the Administrative Agent and a representative for such Permitted *Pari Passu* Secured Refinancing Debt shall have executed and delivered an intercreditor agreement in form and substance reasonably satisfactory to the Administrative Agent and (C) if Permitted Junior Secured Refinancing Debt, (x) shall be secured by the Collateral on a second priority (or other junior priority) basis to the Liens securing the Obligations under the initial Loans and shall not be secured by any property or assets of Holdings, the Borrower or any of its Subsidiaries other than the Collateral, and (y) shall be subject to an intercreditor or subordination agreement (in each case, in form and substance reasonably satisfactory to the Administrative Agent) to which a representative acting on behalf of the holders of such Permitted Junior Secured Refinancing Debt shall have become a party or otherwise subject, and

(C) shall be incurred solely to repay, repurchase, retire or refinance substantially concurrently the Refinanced Loans (and pay related fees, expenses and premiums).

SECTION 2.25. Extension of Loans . (a) The Borrower may, at any time and from time to time request that all or a portion of the Loans (which shall include the corresponding Commitments in the case of Revolving Loans for purposes of this paragraph) of a given Class (an “Existing Loan Tranche”) be amended to extend the scheduled Maturity Date(s) with respect to the Loans of such Existing Loan Tranche (any such Loans which have been so amended, “Extended Loans”) and to provide for other terms consistent with this Section 2.25 . In order to establish any Extended Loans, the Borrower shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders under the applicable Existing Loan Tranche) (each, a “Loan Extension Request”) setting forth the proposed terms of the Extended Loans to be established, which shall (x) be identical as offered to each Lender under such Existing Loan Tranche (including as to the proposed interest rates and fees payable, but excluding any arrangement, structuring or other similar fees payable in connection therewith that are not generally shared with all relevant Lenders) and offered pro rata to each Lender under such Existing Loan Tranche and (y) be identical to the Loans under the Existing Loan Tranche from which such Extended Term Loans are intended to be amended, except that: (i) all or any of the scheduled amortization payments of principal of the Extended Loans may be delayed to later dates than the scheduled amortization payments of principal of the Loans of such Existing Loan Tranche, to the extent provided in the applicable Extension Amendment; provided , however , that at no time shall there be Classes of Extended Loans which have more than three (3) different Maturity Dates (unless a greater number of Maturity Dates is approved by the Administrative Agent in its sole discretion); (ii) the All-In Yield with respect to the Extended Loans (whether in the form of interest rate margin, upfront fees, original issue discount or otherwise) may be different than the All-In Yield for the Loans of such Existing Loan Tranche, in each case, to the extent provided in the applicable Extension Amendment; (iii) the Extension Amendment may provide for other covenants and terms that apply solely to any period after the Latest Maturity Date that is in effect on the effective date of the Extension Amendment (immediately prior to the establishment of such Extended Loans); and (iv) Extended Loans may have call protection as may be agreed by the Borrower and the Lenders thereof; provided that no Extended Loans may be optionally prepaid prior to the Maturity Date of the initial Loans, unless such optional prepayment is accompanied by a pro rata optional prepayment of the initial Loans; provided , however , that (A) no Event of Default shall have occurred and be continuing at the time a Loan Extension Request is delivered to Lenders, (B) in no event shall the Maturity Date of any Extended Loans of a given Loan Extension Series at the time of establishment thereof be earlier than the Maturity Date of the Existing Loan Tranche, (C) the Weighted Average Life to Maturity of any Extended Loans of a given Extension Series at the time of establishment thereof shall be no shorter than the remaining Weighted Average Life to Maturity of the Existing Loan Tranche, (D) all documentation in respect of such Extension Amendment shall be consistent with the foregoing, (E) any Extended Loans may participate on a pro rata basis or less than a pro rata basis, but not on a greater than pro rata basis (except in respect of any voluntary prepayments of any Class of Loans with an earlier Maturity Date than any other Classes of Loans (so long as the initial Loans do not receive less than pro rata treatment)) in any voluntary or any mandatory repayments or prepayments of Loans hereunder, in each case as specified in the respective Loan Extension Request and (F) any Extended Loans may include any Previously Absent Financial Covenant so long as the Administrative Agent shall have been given prompt written notice thereof and this Agreement is amended to include such Previously Absent Financial Covenant for the benefit of each Class (provided , however , that if (x) the documentation governing any Extension Amendment that includes a Previously Absent Financial Covenant in respect of and for the benefit of a “Revolving Commitment” only and (y) such Previously Absent Financial Covenant is a “springing” financial maintenance covenant solely for the benefit of a Class of revolving

loans (and not any Class of term loans), the Previously Absent Financial Covenant shall only be required to be included in this Agreement for the benefit of Revolving Loans; provided that Previously Absent Financial Covenant shall not be required to be added to Loans and Commitments under this Agreement if such Previously Absent Financial Covenant in respect to of Extended Loans is for the period commencing after the Latest Maturity Date. Any Extended Loans amended pursuant to any Loan Extension Request shall be designated a series (each, a “Loan Extension Series”) of Extended Loans for all purposes of this Agreement; provided that any Extended Loans amended from an Existing Loan Tranche may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any previously established Loan Extension Series with respect to such Existing Loan Tranche (in which case scheduled amortization with respect thereto shall be proportionately increased). Each request for a Loan Extension Series of Extended Loans proposed to be incurred under this Section 2.25 shall be in an aggregate principal amount that is not less than \$5,000,000 (it being understood that the actual principal amount thereof provided by the applicable Lenders may be lower than such minimum amount) and the Borrower may impose an Extension Minimum Condition with respect to any Loan Extension Request, which may be waived by the Borrower in its sole discretion.

(b) The Borrower shall provide the applicable Extension Request at least five (5) Business Days (or such shorter period as may be agreed by the Administrative Agent) prior to the date on which Lenders under the Existing Loan Tranche are requested to respond, and shall agree to such procedures, if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.25. No Lender shall have any obligation to agree to have any of its Loans of any Existing Loan Tranche amended into Extended Loans pursuant to any Extension Request. Any Lender holding a Loan under an Existing Loan Tranche (each, an “Extending Lender”) wishing to have all or a portion of its Loans under the Existing Loan Tranche subject to such Extension Request amended into Extended Loans shall notify the Administrative Agent (each, an “Extension Election”) on or prior to the date specified in such Extension Request of the amount of its Loans under the Existing Loan Tranche, which it has elected to request be amended into Extended Loans (subject to any minimum denomination requirements imposed by the Administrative Agent). In the event that the aggregate principal amount of Loans under the Existing Loan Tranche in respect of which applicable Lenders shall have accepted the relevant Extension Request exceeds the amount of Extended Loans requested to be extended pursuant to the Extension Request, Loans subject to Extension Elections shall be amended to Extended Loans on a pro rata basis (subject to rounding by the Administrative Agent, which shall be conclusive) based on the aggregate principal amount of Loans included in each such Extension Election.

(i) Extended Loans shall be established pursuant to an amendment (each, a “Extension Amendment”) to this Agreement among the Borrower, the Administrative Agent and each Extending Lender, providing an Extended Loan thereunder, which shall be consistent with the provisions set forth in Section 2.25(a) or (b) above, respectively (but which shall not require the consent of any other Lender). The effectiveness of any Extension Amendment shall be subject to the satisfaction on the date thereof (the “Extension Facility Closing Date”) of each of the following conditions: (x) except as otherwise agreed by the Extending Lenders, the representations and warranties of each Loan Party set forth in Article III and in each other Loan Document shall be true and correct in all material respects on and as of the Extension Facility Closing Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case 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, (y) except as otherwise agreed by the Extending Lenders, no Default shall exist or would result from the Extended Loan or from the application of the proceeds therefrom and (z) to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of (i) legal opinions, board resolutions and officers' certificates consistent with those delivered on the Effective Date (conformed as appropriate) other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent and (ii) reaffirmation agreements and/or such amendments to the Loan Documents as may be reasonably requested by the Administrative Agent in order to ensure that the Extended Loans are provided with the benefit of the applicable Loan Documents. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Extension Amendment. Each of the parties hereto hereby agrees that this Agreement and the other Loan Documents may be amended pursuant to an Extension Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of the Extended Loans incurred pursuant thereto, (ii) modify the scheduled repayments set forth in Section 2.10 with respect to any Existing Loan Tranche subject to an Extension Election to reflect a reduction in the principal amount of the Loans required to be paid thereunder in an amount equal to the aggregate principal amount of the Extended Loans amended pursuant to the applicable Extension (with such amount to be applied ratably to reduce scheduled repayments of such Loans required pursuant to Section 2.10), (iii) modify the prepayments set forth in Section 2.11 to reflect the existence of the Extended Loans and the application of prepayments with respect thereto, (iv) address technical issues relating to funding and payments and (v) effect such other 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 2.25 , and the Required Lenders hereby expressly authorize the Administrative Agent to enter into any such Extension Amendment.

(c) No conversion of Loans pursuant to any Extension in accordance with this Section 2.25 shall constitute a voluntary or mandatory payment or prepayment for purposes of this Agreement.

ARTICLE III

Representations and Warranties

Each Loan Party represents and warrants to the Lenders that (and where applicable, agrees):

SECTION 3.01. Organization; Powers . Each Loan Party and each of its Restricted Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to carry on its business as now conducted and (c) is qualified to do business in, and is in good standing in, every jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except in the case of clauses (b) and (c) above, where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.02. Authorization; Enforceability . The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders. Each Loan Document to which each Loan Party is a party have been

duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts . The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (b) will not violate any Requirement of Law applicable to any Loan Party or any of their respective Subsidiaries, (c) will not violate the charter, bylaws or other organizational documents of any Loan Party or any of their respective Restricted Subsidiaries, (d) will not violate or result in a default under any indenture, agreement or other instrument binding upon any Loan Party or any of their respective Restricted Subsidiaries, or give rise to a right thereunder to require any payment to be made by any Loan Party or any of their respective Restricted Subsidiaries, and (e) will not result in the creation or imposition of any Lien on any asset of any Loan Party or any of their respective Restricted Subsidiaries, except Liens created pursuant to the Loan Documents and, in the case of each of clauses (a) , (b) , (d) and (e) , except as would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.04. Financial Condition; No Material Adverse Change .

(a) The Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows as of and for the fiscal years ended 2011, 2012 and 2013, reported on by KPMG LLP, independent public accountants. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated Restricted Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to normal year-end audit adjustments.

(b) No event, change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect, since December 31, 2013.

SECTION 3.05. Properties .

(a) As of the date of this Agreement, Schedule 3.05 sets forth the address of each parcel of real property that is owned or leased by any Loan Party. Each lease and sublease is valid and enforceable in accordance with its terms and is in full force and effect, and no default by any party to any such lease or sublease exists, except as could not reasonably be expected to have a Material Adverse Effect. Each Loan Party and each of its Restricted Subsidiaries has good and indefeasible title to, or valid leasehold interests in, all of its material real and personal property (except where the failure to have such title or other interest could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect), free of all Liens other than those permitted by Section 6.02 .

(b) Except, in each case, as could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, each Loan Party and each of its Restricted Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property necessary to its business, a correct and complete list of which, as of the date of this Agreement, is set forth on Schedule 3.05 , and except as set forth on Schedule 3.05 the use thereof by each Loan Party and each of its Restricted Subsidiaries does not infringe in any material respect upon the rights of any other Person, and each Loan Party's and each of its Restricted Subsidiaries' rights thereto are not subject to any licensing agreement or similar arrangement.

SECTION 3.06. Litigation and Environmental Matters .

(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Loan Party, threatened against or affecting any Loan Party or any of its Restricted Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve any Loan Document or the Transactions.

(b) Except for the Disclosed Matters, (i) as of the Effective Date, no Loan Party or any of its Restricted Subsidiaries has received notice of any claim with respect to any Environmental Liability or knows of any basis for any Environmental Liability and (ii) and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, no Loan Party or any of its Restricted Subsidiaries (1) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law or (2) has become subject to any Environmental Liability.

SECTION 3.07. Compliance with Laws and Agreements . Except where the failure to do so, individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect, each Loan Party and each of its Restricted Subsidiaries is in compliance with (i) its charter, by-laws or other organizational documents, (ii) all Requirements of Law applicable to it or its property and (iii) all indentures, agreements and other instruments binding upon it or its property with respect to any Material Indebtedness.

SECTION 3.08. Investment Company Status . No Loan Party or any of its Restricted Subsidiaries is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes . Each Loan Party and each of its Restricted Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party or such Restricted Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not be expected to result in a Material Adverse Effect. As of the Effective Date, no material tax liens have been filed and no material claims are being asserted with respect to any such taxes.

SECTION 3.10. ERISA . No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Disclosure . Neither the Lenders’ Presentation nor any of the other written reports, financial statements, certificates or other written information furnished by or on behalf of any Loan Party or any of its Restricted Subsidiaries to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or any other Loan Document (as modified or supplemented by other written information so furnished) contains any untrue misstatement of material fact or omits to state any material fact necessary to make the statements therein, taken as a whole, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, the Loan Parties represent represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time delivered, it being understood that (a) such projected financial information is not to be viewed as fact and that actual results during the period or periods covered by any such projections may differ significantly from the projected results and such differences may be material and (b) such projected financial information is subject to significant uncertainties and contingencies and no assurance can be given that the projected results will be realized.

SECTION 3.12. No Default . No Default or Event of Default has occurred and is continuing.

SECTION 3.13. Solvency . (a) Immediately after the consummation of the Transactions to occur on the Effective Date, (i) the fair value of the assets of the Loan Parties, on a consolidated basis, at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of the Loan Parties will be 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; (iii) the Loan Parties, on a consolidated basis, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) the Loan Parties, on a consolidated basis, will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted after the Effective Date.

(b) No Loan Party intends to, or will permit any of its Restricted Subsidiaries to, and no Loan Party believes that it or any of its Restricted Subsidiaries will, on a consolidated basis, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it or any such Restricted Subsidiary and the timing of the amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Restricted Subsidiary.

SECTION 3.14. Margin Regulations . No Loan Party is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of “purchasing” or “carrying” any “margin stock” as such terms are defined in Regulation U of the Federal Reserve Board as now and from time to time hereafter in effect (such securities being referred to herein as “Margin Stock”). No Loan Party is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of “purchasing” or “carrying” any “margin stock” as such terms are defined in Regulation U of the Federal Reserve Board, and none of the proceeds of the Term Loans or other extensions of credit under this Agreement will be used, directly or indirectly, for the purpose of purchasing or carrying any Margin Stock, for the purpose of reducing or retiring any Indebtedness that was originally incurred to purchase or carry any Margin Stock or for any other purpose that might cause any of the Term Loans or other extensions of credit under this Agreement to be considered a “purpose credit” within the meaning of Regulations T, U or X of the Federal Reserve Board. No Loan Party will take or permit to be taken any action that might cause any Loan Document to violate any regulation of the Federal Reserve Board.

SECTION 3.15. Capitalization and Subsidiaries . Schedule 3.15 sets forth as of the Effective Date (a) a correct and complete list of the name and relationship to the Borrower of each Subsidiary of the Borrower, (b) a true and complete listing of each class of each of the Borrower’s authorized Equity Interests, of which all of such issued shares are validly issued, outstanding, fully paid and non-assessable, and owned beneficially and of record by the Persons identified on Schedule 3.15 , and (c) the type of entity of the Borrower and each of its Subsidiaries. All of the issued and outstanding Equity Interests owned by any Loan Party have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and is fully paid and non-assessable.

SECTION 3.16. Security Interest in Collateral . The provisions of the Collateral Documents create legal and valid Liens on all the Collateral in favor of the Administrative Agent, for the benefit of the Secured Parties, and, upon filing of UCC financing statements and the taking of any other actions or making of filings required for perfection under the laws of the relevant Collateral Documents and

specified herein or in such Collateral Documents, as, and when necessary and required and, if applicable, the taking of actions or making of filings with respect to intellectual property registrations or applications issued or pending as specified, such Liens constitute perfected and continuing Liens on the Collateral securing the Secured Obligations, enforceable against the applicable Loan Party and all third parties (subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law), and having priority over all other Liens on the Collateral except in the case of (a) Permitted Encumbrances, to the extent any such Permitted Encumbrances would have priority over the Liens in favor of the Administrative Agent pursuant to any applicable law or agreement, and (b) Liens perfected only by possession (including possession of any certificate of title or bond), to the extent the Administrative Agent has not obtained or does not maintain possession of such Collateral.

SECTION 3.17. Employment Matters . As of the Effective Date, there are no strikes, lockouts or slowdowns against any Loan Party or any Restricted Subsidiary pending or, to the knowledge of the Loan Parties, threatened, except as would not reasonably be expected to result in a Material Adverse Effect. The hours worked by and payments made to employees of the Loan Parties and the Restricted Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters, except individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. To the knowledge of the Borrower all payments due from any Loan Party or any Restricted Subsidiary, or for which any claim may be made against any Loan Party or any Restricted Subsidiary, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of the Loan Party or such Restricted Subsidiary, except as would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.18. USA PATRIOT Act .

(a) None of the Loan Parties, any of their Restricted Subsidiaries or, to the knowledge of the Loan Parties, any of their respective Affiliates over which any of the foregoing exercises management control (each, a “ Controlled Affiliate ”) is a Prohibited Person, and the Loan Parties, their Restricted Subsidiaries and, to the knowledge of the Loan Parties, such Controlled Affiliates are in compliance with all applicable orders, rules and regulations of OFAC.

(b) None of the Loan Parties, any of their Restricted Subsidiaries or, to the knowledge of the Loan Parties, any of their respective Affiliates: (i) is targeted by United States or multilateral economic or trade sanctions currently in force; (ii) is owned or controlled by, or acts on behalf of, any Person that is targeted by United States or multilateral economic or trade sanctions currently in force; (iii) is a Prohibited Person; or (iv) is named, identified or described on any list of Persons with whom United States Persons may not conduct business, including any such blocked persons list, designated nationals list, denied persons list, entity list, debarred party list, unverified list, sanctions list or other such lists published or maintained by the United States, including OFAC, the United States Department of Commerce or the United States Department of State.

SECTION 3.19. Embargoed Person . (a) No Loan Party's, nor any of their Subsidiaries', assets constitute property of, or are beneficially owned, directly or indirectly, by any Person targeted by economic or trade sanctions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., the Trading with the Enemy Act, 50 U.S.C. App. 1 et seq. (the “ Trading With the Enemy Act ”), any of the foreign assets control regulations of the Treasury (31 C.F.R., Subtitle B, Chapter V, as amended) (the “ Foreign Assets Control Regulations ”) or any enabling legislation or regulations promulgated thereunder or executive order relating thereto (which includes, without limitation, (i) Executive Order No. 13224, effective as of September 24, 2001, and relating to

Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the “Executive Order”) and (ii) the USA PATRIOT Act, if the result of such ownership would be that any Loan made by any Lender would be in violation of law (“Embargoed Person”); (b) no Embargoed Person has any interest of any nature whatsoever in any Loan Party if the result of such interest would be that any Loan would be in violation of law; (c) no Loan Party has engaged in business with Embargoed Persons if the result of such business would be that any Loan made by any Lender would be in violation of law; and (d) neither any Loan Party nor any Controlled Affiliate (i) is or take any action that will cause them to become a “blocked person” as described in the Executive Order, the Trading With the Enemy Act or the Foreign Assets Control Regulations or (ii) engages or will engage in any dealings or transactions, or be otherwise associated, with any such “blocked person”. For purposes of determining whether or not a representation is true or a covenant is being complied with under this Section 3.19, the Loan Parties shall not be required to make any investigation into (i) the ownership of publicly traded stock or other publicly traded securities or (ii) the beneficial ownership of any collective investment fund.

SECTION 3.20. [Reserved] .

SECTION 3.21. Status as Senior Debt . The Obligations are “senior debt” or “designated senior debt” (or any comparable term) under, and as may be defined in, any indenture or document governing any applicable Indebtedness that is subordinated in right of payment to the Obligations.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date . The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) Credit Agreement and Loan Documents . The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence reasonably satisfactory to the Administrative Agent (which may include fax or other electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the Loan Documents and such other certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the transactions contemplated by this Agreement and the other Loan Documents, including any promissory notes requested by a Lender at least three (3) Business Days in advance of the Effective Date pursuant to Section 2.10 payable to the order of each such requesting Lender and a written opinion of Ropes & Gray LLP, New York counsel to the Loan Parties, substantially in the form attached hereto as Exhibit G-1 and a written opinion of Pierce Atwood LLP, New Hampshire counsel to the Loan Parties organized in New Hampshire, substantially in the form attached hereto as Exhibit G-2 , in each case addressed to the Administrative Agent, the Issuing Bank and the Lenders.

(b) Financial Statements and Projections . The Lenders shall have received (i) audited consolidated financial statements of the Borrower for the 2011, 2012 and 2013 fiscal years, (ii) unaudited interim consolidated financial statements of the Borrower for each fiscal quarter ended after the date of the latest applicable financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available and (iii) financial statement projections (including projected consolidated balance sheets, statements of operations and statement of cash flows) on a fiscal year basis through December 31, 2018.

(c) Closing Certificates; Certified Certificate of Incorporation; Good Standing Certificates . The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Effective Date and executed by a responsible officer of such Loan Party, which shall (A) certify the resolutions of its Board of Directors, members or other body authorizing the execution, delivery and performance of the Loan Documents to which it is a party, (B) identify by name and title and bear the signatures of the Financial Officers and any other officers of such Loan Party authorized to sign the Loan Documents to which it is a party, and (C) contain appropriate attachments, including the certificate or articles of incorporation or organization of each Loan Party certified by the relevant authority of the jurisdiction of organization of such Loan Party and a true and correct copy of each Loan Party's by-laws or operating, management or partnership agreement, and (ii) a long form good standing certificate for each Loan Party from its jurisdiction of organization.

(d) No Material Adverse Effect . The Administrative Agent shall have received a certificate, signed by the chief financial officer of the Borrower stating that since December 31, 2013, no Material Adverse Effect shall have occurred and is continuing.

(e) Fees . The Lenders and the Administrative Agent shall have received all fees required to be paid, and all expenses required to be reimbursed for which invoices have been presented (including the reasonable and documented fees and expenses of legal counsel), at least two (2) Business Days before the Effective Date. All such amounts will be paid with proceeds of Loans made on the Effective Date and will be reflected in the funding instructions given by the Borrower to the Administrative Agent on or before the Effective Date.

(f) Lien Searches . The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions where assets of the Loan Parties are located, and such search shall reveal no material liens on any of the assets of the Loan Parties except for liens permitted by Section 6.02 or discharged on or prior to the Effective Date pursuant to a payoff letter or other documentation reasonably satisfactory to the Administrative Agent.

(g) Payoff Letter . The Administrative Agent shall have received reasonably satisfactory payoff letters for all existing Indebtedness required to be repaid.

(h) Funding Account . The Administrative Agent shall have received a notice setting forth the deposit account of the Borrower (the "Funding Account") to which the Lender is authorized by the Borrower to transfer the proceeds of any Borrowings requested or authorized pursuant to this Agreement.

(i) [Reserved] .

(j) Solvency . The Administrative Agent shall have received a solvency certificate signed by a Financial Officer dated the Effective Date in form and substance reasonably satisfactory to the Administrative Agent.

(k) Pledged Stock; Stock Powers; Pledged Notes . The Administrative Agent shall have received (i) the certificates representing the Equity Interests pledged pursuant to the Security Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (ii) each promissory note (if any) pledged to the Administrative Agent pursuant to the Security Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(l) Filings, Registrations and Recordings . Each document (including any Uniform Commercial Code financing statement) required by the Collateral Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 6.02), shall be in proper form for filing, registration or recordation.

(m) Insurance . The Administrative Agent shall have received evidence of insurance coverage in form, scope, and substance reasonably satisfactory to the Administrative Agent and otherwise in compliance with the terms of Section 5.09 .

(n) USA PATRIOT Act, Etc . The Administrative Agent and Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including USA PATRIOT Act, and a properly completed and signed IRS Form W-8 or W-9, as applicable, for each of Holdings, the Borrower, Pla-Fit Franchise, LLC, Pla-Fit Health, L.L.C., Planet Fitness Equipment, LLC and PFIP, LLC and any other Loan Party that the Administrative Agent may request.

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 Effective Date specifying its objection thereto

SECTION 4.02. Each Credit Event . The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Loan Parties set forth in the Loan Documents shall be true and correct in all material respects with the same effect as though made on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, in each case, except as expressly set forth in Section 2.23(a) (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date, and that any representation or warranty which is subject to any materiality qualifier shall be required to be true and correct in all respects).

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable and except as expressly set forth in Section 2.23(a) , no Default shall have occurred and be continuing.

Each Borrowing (provided that a conversion or continuation of a Borrowing shall not constitute a “Borrowing” for purposes of this Section 4.02) and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section 4.02 .

Notwithstanding the failure to satisfy the conditions precedent set forth in paragraph (a) or (b) of this Section 4.02 , unless otherwise directed by the Required Lenders, the Administrative Agent may, but shall have no obligation to, continue to make Loans and the Issuing Bank may, but shall have no obligation to, issue or cause to be issued any Letter of Credit for the ratable account and risk of Lenders from time to time if the Administrative Agent believes that making such Loans or issuing or causing to be issued any such Letter of Credit is in the best interests of the Lenders.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated or have been cash collateralized or backstopped in a manner reasonably satisfactory to the Issuing Bank, in each case without any pending draw, and all LC Disbursements shall have been reimbursed, each Loan Party executing this Agreement, jointly and severally with all of the Loan Parties, covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information . The Borrower will furnish to the Administrative Agent and the Administrative Agent will distribute to each Lender:

(a) within 120 days after the end of each fiscal year of the Borrower, its audited consolidated balance sheet and consolidated statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by independent public accountants of recognized national standing (without a "going concern" or like qualification or exception, and without any qualification or exception as to the scope of such audit (other than any exception, explanatory paragraph or qualification, that is expressly solely with respect to, or expressly resulting solely from, (i) an upcoming maturity date of the Loans occurring within one year from the time such report is delivered or (ii) any potential inability to satisfy a financial maintenance covenant on a future date)) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Restricted Subsidiaries on a consolidated basis in accordance with GAAP consistently applied and a management discussion and analysis that includes a comparison of performance for that fiscal year to the corresponding period in the prior year;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, its consolidated balance sheet and consolidated statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Restricted Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes and a management discussion and analysis that includes a comparison of performance for that fiscal quarter to the corresponding period in the prior year;

(c) promptly upon receipt thereof all management letters and other material correspondence issued by the Loan Parties' auditors;

(d) concurrently with any delivery of financial statements under clause (a) or (b) above (collectively or individually, as the context requires, the “Financial Statements”), a certificate of a Financial Officer of the Borrower in substantially the form of Exhibit D (i) certifying, in the case of the Financial Statements delivered under clause (b) above, as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Restricted Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes and (ii) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, including any intent to exercise a cure right;

(e) concurrently with any delivery of Financial Statements under clause (a) above, a certificate of the accounting firm that reported on such Financial Statements stating whether they obtained knowledge during the course of their examination of such Financial Statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(f) as soon as available, but in any event no later than 90 days following the end of each fiscal year of the Borrower commencing with the fiscal year ending December 31, 2014, a copy of the plan and forecast (including a projected consolidated and consolidating balance sheet, income statement and cash flow statement) of the Borrower for each month of the upcoming fiscal year (the “Projections”) in form reasonably satisfactory to the Administrative Agent;

(g) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of any Loan Party, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request.

(h) promptly after any request therefor by the Administrative Agent or any Lender, copies of (i) any documents described in Section 101(k)(1) of ERISA that the Borrower or any of its ERISA Affiliates may request with respect to any Multiemployer Plan and (ii) any notices described in Section 101(l)(1) of ERISA that the Borrower or any of its ERISA Affiliates may request with respect to any Multiemployer Plan; provided that if the Borrower or any of its ERISA Affiliates has not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan, the Borrower or the applicable ERISA Affiliate shall promptly make a request for such documents and notices from such administrator or sponsor and shall provide copies of such documents and notices promptly after receipt thereof.

(i) promptly after the designation of (x) a Restricted Subsidiary as an Unrestricted Subsidiary, a certificate of an authorized officer of the Borrower certifying compliance with the definition of the term Unrestricted Subsidiary and (y) upon designation of an Unrestricted Subsidiary as a Restricted Subsidiary certifying compliance with the terms (including all Negative Covenants) of this Agreement.

(j) while any Subsidiary is designated as an Unrestricted Subsidiary, financial information required to be delivered pursuant to clauses (a) and (b) of this Section 5.01 accompanied by consolidating information that explains in reasonable detail the differences between the information relating to the Borrower and its Subsidiaries, on the one hand, and the information relating to the Borrower and the Restricted Subsidiaries on a standalone basis, on the other hand (which need not be audited in the case of clause (a) of this Section 5.01).

Notwithstanding the foregoing, the obligations in clauses (a) and (b) of this Section 5.01 may be satisfied with respect to financial information of Holdings, the Borrower and the Restricted Subsidiaries by furnishing (A) the applicable financial statements of any direct or indirect parent of the Borrower or (B) the Borrower's or such entity's Form 10-K or 10-Q, as applicable, filed with the SEC; provided that, with respect to each of clauses (A) and (B), (i) to the extent such information relates to a parent of the Borrower, such information is accompanied by consolidating information (which need not be audited in the case of clause (a) of this Section 5.01) that explains in reasonable detail the differences between the information relating to the Borrower (or such parent), on the one hand, and the information relating to the Borrower and the Restricted Subsidiaries on a standalone basis, on the other hand and (ii) to the extent such information is in lieu of information required to be provided under Section 5.01(a), such materials are accompanied by a report of an independent registered public accounting firm of nationally recognized standing, which report and opinion (x) shall be prepared in accordance with generally accepted auditing standards and (y) shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit (other than any exception, explanatory paragraph or qualification, that is expressly solely with respect to, or expressly resulting solely from, (i) an upcoming maturity date of the Loans occurring within one year from the time such report and opinion is delivered or (ii) any potential inability to satisfy a financial maintenance covenant on a future date)). Documents required to be delivered pursuant to clauses (a) and (b) of this Section 5.01 (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the earliest date on which (i) the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet; (ii) such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another 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), or (iii) such financial statements and/or other documents are posted on the SEC's website on the internet at www.sec.gov; provided, that, (A) the Borrower shall, at the request of the Administrative Agent, continue to deliver copies (which delivery may be by electronic transmission) of such documents to the Administrative Agent and (B) the Borrower shall notify (which notification may be by facsimile or electronic transmission) the Administrative Agent of the posting of any such documents on any website described in this paragraph. 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 Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrowers with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

SECTION 5.02. Notices of Material Events . Each of the Borrower and Holdings will furnish to the Administrative Agent promptly (but in any event within any time period that may be specified below) written notice of the following (and the Administrative Agent will distribute to each Lender):

- (a) the occurrence of any Event of Default;
- (b) receipt of any notice of any investigation by a Governmental Authority or any litigation or proceeding commenced or threatened against any Loan Party or any of its Restricted Subsidiaries that, in each case, would reasonably be expected to result in a Material Adverse Effect; and
- (c) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business . Each Loan Party will, and will cause each Restricted Subsidiary to, (a) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, qualifications, licenses, permits, franchises, governmental authorizations and intellectual property rights (collectively, “ Rights ”) material to the conduct of its business, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; provided , that the foregoing shall not prohibit (i) any merger, consolidation, liquidation or dissolution permitted under Section 6.03 or (ii) the waiver, non-renewal, or other abandonment of any Rights (including any intellectual property rights) that, in the business judgment of management of the Loan Party, are not material to the conduct of its business and (b) engage in business to the extent not prohibited by Section 6.03(b) .

SECTION 5.04. Payment of Obligations . Each Loan Party will, and will cause each Restricted Subsidiary to, pay or discharge all Material Indebtedness and all other material liabilities and obligations, including Taxes, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such Loan Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties . Each Loan Party will keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear and casualty excepted, except where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; provided , however , that such Loan Party shall not be required to maintain any property if the preservation thereof is no longer desirable in the conduct of the business of such Person.

SECTION 5.06. Books and Records; Inspection Rights . Each Loan Party will, and will cause each Restricted Subsidiary to, (a) keep proper books of record and account in which full, true and correct entries are made of all transactions in relation to its business and activities and (b) permit officers and designated representatives of the Administrative Agent or the Required Lenders to visit and inspect any of the properties or assets of any Loan Party and any such Subsidiary in whomsoever’s possession to the extent that it is within such party’s control to permit such inspection (and shall use commercially reasonable efforts to cause such inspection to be permitted to the extent that it is not within such party’s control to permit such inspection), and to examine the books and records of such Loan Party and any such Subsidiary and discuss the affairs, finances and accounts of such Loan Party and of any such Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all at such reasonable times and intervals and to such reasonable extent as the Administrative Agent or the Required Lenders may desire; provided that, excluding any such visits and inspections during an Event of Default, (a) only the Administrative Agent on behalf of the Required Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 5.06 , (b) the Administrative Agent shall not exercise such rights more than once in any calendar year, which such visits will be at the Borrower’s expense, and (c) notwithstanding anything to the contrary in this Section 5.06 , none of Borrower or any of the Restricted Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by

law or (iii) is subject to attorney-client or similar privilege or constitutes attorney work product (in each case, determined based upon advice of counsel); provided, further, that when an Event of Default exists, the Administrative Agent (or any of its respective representatives or independent contractors) or any representative of the Required Lenders may do any of the foregoing at the expense of the Borrowers at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Required Lenders shall give the Borrowers the opportunity to participate in any discussions with the Borrowers' independent public accountants.

SECTION 5.07. Compliance with Laws. Each Loan Party will, and will cause each Restricted Subsidiary to, comply with all Requirements of Law applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.08. Use of Proceeds. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. All proceeds of the Term Loans (other than Incremental Term Loans) will be used by the Borrower in connection with the Effective Date Transactions and any remaining proceeds may be used for corporate purposes and to pay fees and expenses incurred in connection with the Transaction. All proceeds of the Revolving Loans (including those made pursuant to Revolving Commitment Increases) and the Swingline Loans will be used for any purpose not otherwise prohibited under this Agreement.

SECTION 5.09. Insurance. Each Loan Party will, and will cause each Restricted Subsidiary to, maintain with financially sound and reputable carriers (a) insurance 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 its Restricted Subsidiaries) (with no greater risk retention) and against such risks (including loss or damage by fire and loss in transit; theft, burglary, pilferage, larceny, embezzlement, and other criminal activities; business interruption; and general liability) and such other hazards, as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (b) all insurance required pursuant to the Collateral Documents. The Borrower will furnish to the Lenders, upon request of the Administrative Agent, but no less frequently than annually, information in reasonable detail as to the insurance so maintained.

SECTION 5.10. Maintenance of Ratings. The Borrower will use commercially reasonable efforts to obtain and maintain (but not maintain any specific rating) a corporate family and/or corporate credit rating, as applicable, and ratings in respect of the Term Loans provided pursuant to this Agreement, in each case, from each of S&P and Moody's.

SECTION 5.11. Post-Closing Actions. The Loan Parties shall deliver or use commercially reasonable efforts to deliver (to the extent specified on Schedule 5.11) to the Administrative Agent, within 90 days of the Effective Date (or such later date as the Administrative Agent may agree in its reasonable discretion), the items listed on Schedule 5.11; provided that the Loan Parties shall not be required to make payments to obtain such items, except for any payments already required.

SECTION 5.12. Additional Collateral; Further Assurances.

(a) Subject to applicable Requirements of Law, each Loan Party will cause each of its domestic Restricted Subsidiaries (other than any Excluded Subsidiary) formed or acquired after the date of this Agreement to become a Loan Party by executing a Joinder Agreement in substantially the form of Exhibit E. Upon execution and delivery thereof, each such Person (i) shall automatically become

a Loan Guarantor hereunder and thereupon shall have all of the rights, benefits, duties, and obligations in such capacity under the Loan Documents and (ii) will grant Liens to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, in any property of such Loan Party which constitutes Collateral.

(b) Each Loan Party will cause (i) 100% of the issued and outstanding Equity Interests of each of its domestic Restricted Subsidiaries (other than a Disregarded Domestic Subsidiary) and (ii) 65% of the issued and outstanding Equity Interests entitled to vote and 100% of the issued and outstanding Equity Interests not entitled to vote in each foreign Restricted Subsidiary and Disregarded Domestic Subsidiary directly owned by the Borrower or any domestic Restricted Subsidiary that is not a Disregarded Domestic Subsidiary to be subject at all times to a first priority, perfected Lien in favor of the Administrative Agent for the benefit of the Administrative Agent and the Lenders, pursuant to the terms and conditions of the Loan Documents or other security documents as the Administrative Agent shall reasonably request.

(c) The Borrower will cause Holdings to pledge and grant a first priority, perfected Lien in favor of the Administrative Agent in 100% of the issued and outstanding Equity Interests of the Borrower.

(d) Without limiting the foregoing, each Loan Party will, and will cause each Restricted Subsidiary to, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents and such other actions or deliveries of the type required by Section 4.01, as applicable), which may be required by law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents, all at the expense of the Loan Parties. Nothing in this Section 5.12 shall require, and the Loan Documents shall not contain any requirements as to, the creation or perfection of pledges of or security interests in, or the obtaining of title insurance, surveys, abstracts or appraisals or taking other actions with respect to any Excluded Property.

(e) If any material assets (including any real property or improvements thereto having a fair market value in excess of \$1,000,000 or any interest therein) are acquired by any Loan Party after the Effective Date (other than assets constituting Collateral under the Security Agreement that become subject to the Lien in favor of the Security Agreement upon acquisition thereof), the Borrower will (i) notify the Administrative Agent and the Lenders thereof, and, if requested by the Administrative Agent or the Required Lenders, cause such assets to be subjected to a Lien securing the Secured Obligations and (ii) take, and cause each applicable Loan Party to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (c) of this Section, all at the expense of the Loan Parties.

(f) Notwithstanding any other provision to the contrary, nothing in this Section 5.12 shall require, and the Loan Documents shall not contain any requirements as to, the creation or perfection of pledges of or security interests in any Excluded Property.

(g) No actions shall be required to create any security interests in any assets or to perfect such security interests other than in the United States (it being understood that there shall be no security agreement or pledge agreement governed under the Laws of any non-U.S. jurisdiction).

SECTION 5.13. Designation of Unrestricted Subsidiaries . The Borrower may at any time after the Effective Date designate any Restricted Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; provided that (i) immediately before and after such designation or redesignation, no Event of Default shall have occurred and be continuing, (ii) no Subsidiary may be designated as an Unrestricted Subsidiary if, after such designation, it would be a “Restricted Subsidiary” for the purpose of any other Indebtedness, (iii) no Restricted Subsidiary shall be designated an Unrestricted Subsidiary if it owns Equity Interests or Indebtedness of, or owns or holds any Lien on any property of, Holdings, the Borrower or any other Restricted Subsidiary and (iv) any designation of a Restricted Subsidiary as an Unrestricted Subsidiary complies with the definition of the term Unrestricted Subsidiary. The designation of any Subsidiary as an Unrestricted Subsidiary after the Effective Date shall constitute an Investment by the applicable Loan Party therein at the date of designation as set forth in the definition of Investment. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (a) the incurrence (at the time of designation) of any Investment, Indebtedness or Liens of such Subsidiary existing at such time and (b) a return on any Investment by the applicable Loan Party in Unrestricted Subsidiaries pursuant to the definition of Investment and shall be permitted if after giving pro forma effect to such designation the Borrower would be in compliance with the financial covenant set forth in Section 6.12 .

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees, expenses and other amounts payable under any Loan Document have been paid in full and all Letters of Credit have expired or terminated or have been cash collateralized or backstopped in a manner reasonably satisfactory to the Issuing Bank, and all LC Disbursements shall have been reimbursed, each Loan Party executing this Agreement, jointly and severally with all of the other Loan Parties, covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness . No Loan Party will, nor will it permit any Restricted Subsidiary to, create, incur, assume or suffer to exist any Indebtedness, except:

(a) the Secured Obligations;

(b) Indebtedness existing on the date hereof and set forth in Schedule 6.01 and any extensions, renewals, refinancings and replacements of any such Indebtedness in accordance with clause (f) hereof;

(c) Indebtedness of the Borrower to any Restricted Subsidiary and of any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary, provided that (i) Indebtedness of any Restricted Subsidiary that is not a Loan Party to the Borrower or any other Loan Party shall be subject to Section 6.04 and (ii) Indebtedness of any Loan Party to any Restricted Subsidiary that is not a Loan Party shall be subordinated to the Secured Obligations pursuant to the Global Intercompany Note; provided , further , that no Loan Party may make any payment or pre-payment on the Indebtedness permitted under this clause (ii) unless the such payment or pre-payment is permitted pursuant to the Global Intercompany Note;

(d) Guarantees by the Borrower of Indebtedness of any Restricted Subsidiary and by any Restricted Subsidiary of Indebtedness of the Borrower or any other Restricted Subsidiary, provided that (i) the Indebtedness so Guaranteed is permitted by this Section 6.01 , (ii) Guarantees by the Borrower or other Loan Party of Indebtedness of any Restricted Subsidiary that is not a

Loan Party shall be subject to Section 6.04 and (iii) Guarantees permitted under this clause (d) shall be subordinated to the Secured Obligations on the same terms as the Indebtedness so Guaranteed is subordinated to the Secured Obligations;

(e) Indebtedness of the Borrower or any Restricted Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets (whether or not constituting purchase money Indebtedness), including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness in accordance with clause (f) below; provided that (i) such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) together with any Refinance Indebtedness in respect thereof permitted by clause (f) below, shall not exceed the greater of (x) \$30,000,000 and (y) 5% of Consolidated Total Assets (measured on a pro forma basis as of the date such Indebtedness is incurred based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding;

(f) Indebtedness which represents extensions, renewals, refinancings and replacements (such Indebtedness being so extended, renewed, refinanced or replaced being referred to herein as the “Refinance Indebtedness”) of any of the Indebtedness described in clauses (b), (e), (f), (i), (j) and (k) hereof (such Indebtedness being referred to herein as the “Original Indebtedness”); provided that, (i) such Refinance Indebtedness does not increase the principal amount or interest rate of the Original Indebtedness, except by an amount equal to unpaid accrued interest and premium thereon plus other reasonable amounts paid and fees and expenses reasonably incurred, in connection with such Refinance Indebtedness, (ii) any Liens securing such Refinance Indebtedness are not extended to any additional property of any Loan Party or any of its Restricted Subsidiaries, (iii) no Loan Party or any of its Restricted Subsidiaries that is not originally obligated with respect to repayment of such Original Indebtedness is required to become obligated with respect to such Refinance Indebtedness, (iv) such Refinance Indebtedness does not result in a shortening of the average weighted maturity of such Original Indebtedness, (v) the terms of such Refinance Indebtedness (other than fees and interest) are (A) not, when taken as a whole, materially less favorable to the obligor thereunder than the original terms of such Original Indebtedness or (B) reflect current market terms for such type of Indebtedness and (vi) if such Original Indebtedness was subordinated in right of payment to the Secured Obligations, then the terms and conditions of such Refinance Indebtedness must include subordination terms and conditions that are at least as favorable to the Administrative Agent and the Lenders as those that were applicable to such Original Indebtedness;

(g) Indebtedness owed to any Person providing workers’ compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business;

(h) Indebtedness of any Loan Party in respect of performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations, in each case provided in the ordinary course of business;

(i) so long as no Default or Event of Default then exists or would result therefrom and Borrower shall be in compliance on a pro forma basis with the financial covenants set forth in Section 6.12 immediately after giving effect to the incurrence of such Indebtedness, additional

unsecured Indebtedness incurred by the Borrower and its Restricted Subsidiaries in an aggregate principal amount not to exceed an amount such that the Total Net Leverage Ratio calculated on a pro forma basis would not exceed a ratio equal to the ratio that is 0.25 to 1.00 lower than the Total Net Leverage Ratio set forth in Section 6.12 for the fiscal quarter ended immediately preceding the date of incurrence of such Indebtedness;

(j) Indebtedness of any Person that becomes a Restricted Subsidiary after the date hereof; provided that (i) such Indebtedness exists at the time such Person becomes a Restricted Subsidiary and is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary and (ii) the aggregate principal amount of Indebtedness permitted by this clause (j) together with any Refinance Indebtedness in respect thereof permitted by clause (f) above, shall not exceed the greater of (x) \$10,000,000 and (y) 2% of Consolidated Total Assets (measured on a pro forma basis as of the date such Indebtedness is incurred based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding;

(k) Indebtedness in an aggregate principal amount not exceeding the greater of (i) \$20,000,000 and (ii) 4% of Consolidated Total Assets (measured on a pro forma basis as of the date such Indebtedness is incurred based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding;

(l) Indebtedness in respect of Swap Agreements permitted under Section 6.07 ;

(m) Indebtedness which may be deemed to exist pursuant to any guaranties, performance, surety, statutory, appeal or similar obligations incurred in the ordinary course of business;

(n) Indebtedness in respect of netting services, overdraft protections and otherwise in connection with deposit accounts;

(o) Indebtedness consisting of financing of insurance premiums in the ordinary course of business;

(p) Indebtedness incurred by the Borrower or any of its Restricted Subsidiaries in respect of letters of credit, bank guarantees, bankers' acceptances, or similar instruments issued or created in the ordinary course of business, including in respect of workers compensation claims, health, disability or other employee benefits or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims;

(q) Promissory notes issued in connection with the repurchase, redemption or other acquisition or retirement of Equity Interests held by any current or former officer, director or employee of any Parent, the Borrower or any of its Restricted Subsidiaries; provided that such repurchase, redemption, or other acquisition or retirement is permitted by Section 6.08(a)(iii) ;

(r) Indebtedness representing deferred compensation or similar arrangements to employees of Holdings (or any direct or indirect parent thereof) the Borrower or any of its Restricted Subsidiaries incurred in the ordinary course of business;

(s) any Guarantee by the Borrower or a Restricted Subsidiary of Indebtedness of the Borrower or a Restricted Subsidiary that was incurred in compliance with this covenant; provided , however , that if such Indebtedness is by its express terms subordinated in right of payment to the Obligations or the Guarantee of such Restricted Subsidiary, as applicable, any such guarantee with respect to such Indebtedness shall be expressly subordinated in right of payment to the Obligations or such Restricted Subsidiary's Guarantee;

(t) Incremental Equivalent Debt and Refinancing Equivalent Debt and any Permitted Refinancing of the foregoing;

(u) Indebtedness of Foreign Subsidiaries owing to unrelated third-parties in an aggregate principal amount not to exceed the greater of (i) \$5,000,000 and (ii) 1% of Consolidated Total Assets (measured on a pro forma basis as of the date such Investment is made based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding; provided that such Indebtedness shall be non-recourse to the Loan Parties;

(v) Contingent obligations of any Loan Party in respect of Indebtedness of a Loan Party otherwise permitted under this Section 6.01 ;

(w) unsecured Indebtedness to current or former officers, managers, consultants, directors and employees, their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests or other equity-based awards of the Borrower or any direct or indirect parent of the Borrower permitted by Section 6.08 , in an aggregate amount not to exceed \$5,000,000 at any time outstanding; and

(x) Indebtedness arising from agreements of Borrower or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnout or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Restricted Subsidiary or other Person, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Restricted Subsidiary for the purpose of financing such acquisition; provided that such Indebtedness is not reflected on the balance sheet of Holdings, the Borrower or any Restricted Subsidiary (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet will not be deemed to be reflected as Indebtedness on such balance sheet for purposes of this clause (x)).

For purposes of determining compliance with Section 6.01 , in the event that an item of Indebtedness (or any portion thereof) at any time, whether at the time of incurrence or issuance 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 described in Section 6.01(b) through (x) above, the Borrower, in its sole discretion, will classify and may subsequently reclassify such item of Indebtedness (or any portion thereof) in any one or more of the types of Indebtedness described in Section 6.01(b) through (x) and will only be required to include the amount and type of such Indebtedness in such of the above clauses as determined by the Borrower at such time. The Borrower will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in clauses (b) through (x) .

SECTION 6.02. Liens . No Loan Party will, nor will it permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including Accounts) or rights in respect of any thereof, except:

(a) Liens created pursuant to any Loan Document;

(b) Liens securing Indebtedness permitted by Section 6.01(u) ; provided that such Liens do not extend to any property or asset of any Loan Party;

(c) any Lien on any property or asset of the Borrower or any Restricted Subsidiary existing on the date hereof and set forth in Schedule 6.02 ; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Restricted Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals, refinancings and replacements thereof that do not increase the outstanding principal amount thereof;

(d) Liens on fixed or capital assets acquired, leased, replaced, constructed or improved by the Borrower or any Restricted Subsidiary; provided that (i) such Liens secure Indebtedness permitted by Section 6.01(e) , (ii) such Liens and the Indebtedness secured thereby are incurred prior to or within 120 days after such acquisition, lease or the completion of such replacement, construction or improvement and (iii) such Liens shall not apply to any other property or assets of the Borrower or any Restricted Subsidiary; provided that individual financings of equipment provided by one Person may be cross collateralized to other financings of equipment provided by such Person but not any other Person;

(e) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Restricted Subsidiary or existing on any property or asset of any Person that becomes a Loan Party or a Restricted Subsidiary of a Loan Party, as applicable, or is merged or consolidated with the Borrower or any Restricted Subsidiary after the Effective Date prior to the time such Person becomes a Loan Party or is so merged or consolidated; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition, merger or consolidation or such Person becoming a Loan Party or a subsidiary of a Loan Party, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Loan Party or a subsidiary of a Loan Party and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition, merger or consolidation or the date such Person becomes a Loan Party, as the case may be, and any extensions, renewals, refinancings and replacements thereof;

(f) Liens (i) of a collecting bank arising in the ordinary course of business under Section 4-208 of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon and (ii) in favor of banking or other financial institutions arising as a matter of law or under customary contractual provisions encumbering deposits or other funds maintained with such banking or other financial institutions (including the right of set off and grants of security interests in deposits and/or securities held by such banking or other financial institution) and that are within the general parameters customary in the banking industry;

(g) Liens arising out of Sale and Leaseback Transactions permitted by Section 6.06 ;

(h) Liens granted by a Restricted Subsidiary that is not a Loan Party in favor of the Borrower or another Loan Party in respect of Indebtedness owed by such Restricted Subsidiary;

(i) Lien securing Indebtedness in an aggregate principal amount not exceeding the greater of (i) \$20,000,000 and (ii) 4% of Consolidated Total Assets (measured on a pro forma basis as of the date such Indebtedness is incurred and such Lien is granted based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding;

(j) Liens imposed by law for Taxes, assessments or governmental charges that are not overdue for a period of more than thirty (30) days or that are being contested in compliance with Section 5.04 ;

(k) landlord's, carriers', warehousemen's, mechanics', materialmen's, repairmen's, construction contractor's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that (i) are not overdue by more than thirty (30) days or, if more than thirty (30) days overdue, are unfiled and no other action has been taken to enforce such Liens or (ii) are being contested in compliance with Section 5.04 ;

(l) (i) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, health, disability or employee benefits, unemployment insurance and other social security laws or similar legislation or regulations or other insurance-related obligations and (ii) pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to Holdings, the Borrower or any of its Restricted Subsidiaries;

(m) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(n) judgment Liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII ;

(o) easements, survey exceptions, zoning restrictions, ground leases, rights-of-way, encroachments, other minor defects or irregularities in title, and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Restricted Subsidiary;

(p) any interest or title of a lessor or sublessor under any lease not prohibited by this Agreement;

(q) Liens arising from precautionary uniform commercial code financing statements (or similar filings under applicable law) filed under any lease permitted by this Agreement;

(r) non-exclusive licenses and sublicenses granted by a Loan Party or any Restricted Subsidiary of a Loan Party and leases and subleases (by a Loan Party or any Restricted Subsidiary of a Loan Party as lessor or sublessor) to third parties in the ordinary course of business not interfering with the business of the Loan Parties or any of their Restricted Subsidiaries;

(s) Liens arising out of consignment or similar arrangements for the sale of goods entered into by the Borrower or any Restricted Subsidiary of the Borrower in the ordinary course of business;

(t) Liens in favor of customs and revenue authorities arising as a matter of law which secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(u) Liens solely on any cash earnest money deposits made by the Borrower or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(v) Liens on the property of any non-Loan Party, which Liens secure Indebtedness of any non-Loan Party incurred pursuant to clause (e) of Section 6.01 ; and

(w) Liens securing Incremental Equivalent Debt and Refinancing Equivalent Debt (and any Permitted Refinancing in respect of such Incremental Equivalent Debt and Refinancing Equivalent Debt), in each case, which is permitted to be secured pursuant to the provisions of this Agreement.

SECTION 6.03. Fundamental Changes .

(a) No Loan Party will, nor will it permit any Restricted Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing, (i) any Person may merge into the Borrower in a transaction in which the surviving entity is the Borrower, (ii) any Person may merge into any Restricted Subsidiary in a transaction in which the surviving entity is a Restricted Subsidiary and, if any party to such merger is a Loan Party, is or becomes a Restricted Subsidiary that is Loan Party concurrently with such merger and (iii) any Restricted Subsidiary that is not a Loan Party may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders; provided that any such merger involving a Person that is not a wholly owned Restricted Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.04 .

(b) No Loan Party will, nor will it permit any Restricted Subsidiary to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and its Restricted Subsidiaries on the date hereof and businesses reasonably related thereto.

(c) Holdings will not engage in any business or activity other than (i) the ownership of all of the outstanding Equity Interests of the Borrower, (ii) engaging in corporate and administrative functions and other activities incidental thereto, (iii) the maintenance of its capital structure including the issuance of Equity Interests (including Qualified Capital Stock) and entering into those agreements and arrangement incidental thereto and (iv) financing activities, including the issuance of securities, incurrence of debt, payment of dividends, making contributions to the capital of its Restricted Subsidiaries and guaranteeing the obligations of its Restricted Subsidiaries in each case solely to the extent not prohibited hereunder. Holdings will not own or acquire any assets (other than Equity Interests of the Borrower and the cash proceeds of any Restricted Payments permitted by Section 6.08 or proceeds of any issuance of Indebtedness or Equity Interests not prohibited by this Agreement pending application as required by this Agreement) or incur any liabilities (other than liabilities under the Loan Documents and liabilities reasonably incurred in connection with its maintenance of its existence); provided that after the Effective Date any other Person or Persons (“ New Holdings ”) that is a Restricted Subsidiary of (or are Restricted Subsidiaries of) Holdings or of any Parent of Holdings (or the previous New Holdings, as the case may be) but not the Borrower (“ Previous Holdings ”); provided that (A) such New Holdings directly owns (1) 100% of the Equity Interests of the Borrower and (2) 100% of the Equity Interests of each other

direct Subsidiary of Previous Holdings which were owned by Previous Holdings immediately prior thereto, (B) New Holdings shall expressly assume all the obligations of Previous Holdings under this Agreement and the other Loan Documents pursuant to a supplement hereto or thereto in form and substance reasonably satisfactory to the Administrative Agent, (C) Holdings and the Borrower shall be required to deliver a favorable opinion of counsel on the corporate and collateral matters reasonably requested by the Administrative Agent, (D) all Equity Interest of the Borrower and each other direct Subsidiary of Previous Holdings and substantially all of the other assets of Previous Holdings are contributed or otherwise transferred directly to such New Holdings and pledged to secure the Obligations, (F) (1) no Default or Event of Default has occurred and is continuing at the time of such substitution and such substitution does not result in any Default or Event of Default, (2) such substitution does not result in any material adverse tax consequences to any Loan Party and (3) such substitution does not result in any adverse tax consequences to any Lender (unless reimbursed hereunder) or to the Administrative Agent (unless reimbursed hereunder), (G) no Change in Control shall occur, (H) the Administrative Agent shall have received at least fifteen Business Days prior written notice of the proposed transaction and Previous Holdings, New Holdings and the Borrower shall promptly and in any event at least ten business days prior to the consummation of the transaction provide all information any Lender or Administrative Agent may reasonably request to satisfy its “know your customer” and other similar requirements with respect to the proposed successor New Holdings, (I) New Holdings shall be an entity organized or existing under the law of the United States, any state thereof or the District of Columbia, (J) the Loan Parties shall execute and deliver amendments, supplements and other modification to all Loan Documents and instruments and agreements executed in connection therewith in order to perfect and protect the liens and security interests in the Collateral of the New Holdings, in each case in form and substance satisfactory to the Administrative Agent, and (K) the Borrower delivers a certificate of the chief financial officer or the chief executive officer with respect to the satisfaction of the conditions set forth in this definition.

(d) No Loan Party will, nor will it permit any Restricted Subsidiary to change its fiscal year; provided , however , that any Restricted Subsidiary of the Borrower that does not have a fiscal year ending on December 31, may, upon prior written notice to the Administrative Agent, change its fiscal year end to December 31.

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions . No Loan Party will, nor will it permit any Restricted Subsidiary to make any Investment, except:

(a) Permitted Investments;

(b) Investments in existence on the date hereof and described in Schedule 6.04 ;

(c) Investments by the Borrower and the Restricted Subsidiaries in Equity Interests, or as capital contribution in respect thereof, in their respective Restricted Subsidiaries, provided that (i) any such Equity Interests held by a Loan Party shall be pledged pursuant to the Security Agreement (subject to the exclusions set forth herein) and (ii) the aggregate amount of investments by Loan Parties in Restricted Subsidiaries that are not Loan Parties (together with outstanding intercompany loans permitted under Section 6.04(d) and outstanding Guarantees permitted under the Section 6.04(e)) shall not exceed the greater of (x) \$30,000,000 and (y) 5.50% of Consolidated Total Assets (measured on a pro forma basis as of the date such Investment is made based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding (in each case determined at the time of making such Investment without regard to any write-downs or write-offs);

(d) loans or advances made by the Borrower to any Restricted Subsidiary and made by any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary, provided that (i) any such loans and advances made by a Loan Party shall be evidenced by a promissory note pledged pursuant to the Security Agreement and (ii) the amount of such loans and advances made by Loan Parties to Restricted Subsidiaries that are not Loan Parties (together with outstanding Investments permitted under Section 6.04(c) and outstanding Guarantees permitted under Section 6.04(e)) shall not exceed the greater of (x) \$30,000,000 and (y) 5.50% of Consolidated Total Assets (measured on a pro forma basis as of the date such Investment is made based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding (in each case determined at the time of making such Investment without regard to any write-downs or write-offs);

(e) Guarantees constituting Indebtedness permitted by Section 6.01 , provided that the aggregate principal amount of Indebtedness of Restricted Subsidiaries that are not Loan Parties that is Guaranteed by any Loan Party shall (together with outstanding Investments permitted under clause (ii) to the proviso to Section 6.04(c) and outstanding intercompany loans permitted under clause (ii) to the proviso to Section 6.04(d)) shall not exceed the greater of (x) \$30,000,000 and (y) 5.50% of Consolidated Total Assets (measured on a pro forma basis as of the date such Investment is made based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding (in each case determined at the time of making such Guarantee without regard to any write-downs or write-offs);

(f) loans or advances made to directors, officers and employees of the Loan Parties or any parent company or subsidiary of such Person on an arms-length basis in the ordinary course of business for travel and entertainment expenses, relocation costs or similar purposes up to a maximum of \$500,000 in the aggregate at any one time outstanding;

(g) extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business and notes payable, stock, other securities or other non-cash consideration issued by Account Debtors to a Loan Party pursuant to negotiated agreements with respect to settlement of such Account Debtor's Accounts in the ordinary course of business;

(h) Investments in the form of Swap Agreements permitted by Section 6.07 ;

(i) Investments of any Person existing at the time such Person becomes a Restricted Subsidiary of the Borrower or consolidates or merges with the Borrower or any of the Restricted Subsidiaries (including in connection with a permitted acquisition) so long as such Investments were not made in contemplation of such Person becoming a Restricted Subsidiary or of such merger;

(j) Investments received in connection with the dispositions of assets permitted by Section 6.05 ;

(k) Investments constituting deposits described in clauses (l)(i) and (m) of Section 6.02 ;

(l) Investments not to exceed the greater of (i) \$10,000,000 and (ii) 2.00% of Consolidated Total Assets (measured on a pro forma basis as of the date such Investment is made based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) in the aggregate at any one time outstanding;

(m) subject to satisfaction of the applicable Available Amount Usage Conditions, Investments not to exceed the sum of (i) Available Amount plus (ii) \$40,000,000 (in each case determined at the time of making such Guarantee without regard to any write-downs or write-offs); provided that with respect to any acquisition (by merger or otherwise) of any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or of any acquisition of property which constitutes all or substantially all of an operating unit of a business, the target of such acquisition shall not, on a stand-alone basis, have negative EBITDA (calculated in accordance with this Agreement, including Pro Forma Adjustments relating only to such target); provided, further, that for any acquisition of more than one businesses or locations in related transactions, such calculation will be made on a combined basis for all such businesses or locations purchased;

(n) any Investment by the Borrower or any of its Restricted Subsidiaries in a Person that is engaged in a business permitted pursuant to Section 6.03, but, for purposes of this clause (n), to the extent that, as a result of such Investment:

(i) such Person becomes a Loan Party on the date of such Investment (it being understood that the filing of a customary Uniform Commercial Code financing statement, the execution of a supplement to the Security Agreement, the delivery of a customary opinion of counsel and the delivery of pledged equity (to the extent certificated) shall occur on the date of such investment, but the execution of other collateral documents or agreements (including landlord waivers and control agreements, if any) shall occur within the times provided for in the Security Agreement or such later time as the Administrative Agent may agree in its sole discretion); 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 Loan Party.

For the avoidance of doubt, to the extent an acquisition described in this clause (n), includes the indirect acquisition of a Person that is a non-Loan Party, such indirect acquisition shall not be permitted under this clause (n) and must otherwise be permitted under this Section 6.04;

(o) Guarantees of operating leases that do not constitute Indebtedness;

(p) the consummation of the Effective Date Purchase and Investments in connection therewith; and

(q) Investments in connection with Refranchising Transactions.

(r) Investments made by any Restricted Subsidiary that is not a Loan Party to the extent such Investments are made with the proceeds received by such Restricted Subsidiary from an Investment made by a Loan Party in such Restricted Subsidiary otherwise pursuant to this Section 6.04.

SECTION 6.05. Asset Sales . No Loan Party will, nor will it permit any Restricted Subsidiary to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will the Borrower permit any Restricted Subsidiary to issue any additional Equity Interest in such Restricted Subsidiary (other than to the Borrower or another Restricted Subsidiary in compliance with Section 6.04), except:

(a) sales, transfers and dispositions of (i) inventory in the ordinary course of business and (ii) used, obsolete, worn out or surplus equipment or property (including intellectual property) in the ordinary course of business and sales, transfers and dispositions of property no longer used or useful in the conduct of the business of the Borrower and its Restricted Subsidiaries;

(b) sales, transfers, leases, licenses and dispositions of assets to the Borrower or any Restricted Subsidiary, provided that any such sales, transfers or dispositions involving a Restricted Subsidiary that is not a Loan Party shall be made in compliance with Section 6.09 ;

(c) sales, transfers, dispositions and discounts of accounts receivable in connection with the compromise, settlement or collection thereof;

(d) sales, transfers and dispositions of cash and Permitted Investments and other Investments permitted by clauses (i) and (k) of Section 6.04 ;

(e) Sale and Leaseback Transactions permitted by Section 6.06 ;

(f) dispositions resulting from any casualty or other damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower or any Restricted Subsidiary;

(g) sales, transfers and other dispositions of assets (other than Equity Interests in a wholly owned Restricted Subsidiary unless all Equity Interests in such Restricted Subsidiary are sold) to franchisees that are not permitted by any other clause of this Section , provided that the aggregate fair market value of all assets sold, transferred or otherwise disposed of in reliance upon this paragraph (g) shall not exceed the greater of (i) \$25,000,000 and (ii) 4.5% of Consolidated Total Assets (measured on a pro forma basis as of the date of such sales, transfers and other dispositions of assets based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) during any fiscal year of the Borrower and the greater of (i) \$75,000,000 and (ii) 13.50% of Consolidated Total Asset in the aggregate (measured as of the date of such sales, transfers and other dispositions of assets based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date);

(h) any merger, amalgamation, consolidation, liquidation, wind-up or dissolution, the purpose of which is to effect a disposition otherwise permitted in this Section 6.05 ;

(i) dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such disposition are promptly applied to the purchase price of such replacement property;

(j) (i) leases, subleases, licenses or sublicenses, in each case in the ordinary course of business and which do not materially interfere with the business of the Borrower and its Restricted Subsidiaries, taken as a whole and (ii) dispositions of intellectual property that do not materially interfere with the business of the Borrower or any of its Restricted Subsidiaries;

(k) 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;

(l) the unwinding of any Swap Agreement;

(m) the lapse or abandonment in the ordinary course of business of any registrations or applications for registration of any immaterial intellectual property;

(n) any swap of assets (other than Cash Equivalents) in exchange for assets of the same type in the ordinary course of business of comparable or greater value or usefulness to the business of the Borrower and its Restricted Subsidiaries as a whole, as determined in good faith by the Borrower;

(o) Restricted Payments permitted by Section 6.08 , Investments permitted by Section 6.04 (including in connection with Refranchising Transactions), Liens permitted by Section 6.02 ;

(p) dispositions of property listed on Schedule 6.05(p) ;

(q) other dispositions not to exceed the greater of (i) \$15,000,000 and (ii) 3% of Consolidated Total Assets (measured as of the date of such dispositions based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date); and

(r) dispositions in connection with Refranchising Transactions;

provided that dispositions permitted under Section 6.05 (other than those permitted by paragraphs (b) , (d) , (f) , (h) , (k) , (l) , (m) and (o)) shall be made for no less than the fair market value of such property at the time of such disposition as determined in good faith by the applicable Loan Party and shall be for at least 75% cash consideration; provided , further , that the following shall be deemed to be cash: (x) the repayment or assumption of Indebtedness secured by Liens with a priority to the Liens in favor of the Secured Parties and (y) any securities, notes or other obligations received by the Borrower or any such Restricted Subsidiary from such transferee that are, within 180 days of the disposition of Collateral, converted by the Borrower or such Restricted Subsidiary into cash or Permitted Investments. To the extent any Collateral is disposed of as expressly permitted by this Section 6.05 to any Person other than Holdings, the Borrower or a Restricted Subsidiary, such Collateral shall 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 shall be authorized to take any actions deemed appropriate in order to effect the foregoing.

SECTION 6.06. Sale and Leaseback Transactions . No Loan Party will enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred (a “Sale and Leaseback Transaction”), except for any such sale of any fixed or capital assets by the Borrower or any Restricted Subsidiary that is made for cash consideration in an amount not less than the fair value of such fixed or capital asset and is consummated within 90 days after such Borrower or such Restricted Subsidiary acquires or completes the construction of such fixed or capital asset.

SECTION 6.07. Swap Agreements . No Loan Party will, nor will it permit any Restricted Subsidiary to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Borrower or any Restricted Subsidiary has actual exposure (other than those in respect of Equity Interests of the Borrower or any of its Restricted Subsidiaries), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from floating to fixed rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Restricted Subsidiary or foreign exchange contract, currency swap agreement, currency option or other similar agreement or arrangement for the purpose of fixing, hedging or swapping currency exchange rates, in each case, in the ordinary course of business and not for speculative purposes.

SECTION 6.08. Restricted Payments; Certain Payments of Indebtedness .

(a) No Loan Party will, nor will it permit any Restricted Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except as set forth in Section 6.08(b) and (i) each of Holdings and the Borrower may declare and pay dividends with respect to its common stock payable solely in additional shares of its common stock, and, with respect to its preferred stock, payable solely in additional shares of such preferred stock or in shares of its common stock, (ii) Restricted Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (iii) (x) the Borrower may make Restricted Payments (the proceeds of which may be utilized by Holdings to make additional Restricted Payments), not exceeding \$1,000,000 during any fiscal year, pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the direct or indirect Parent of Holdings, Holdings, the Borrower and its Restricted Subsidiaries and (y) following a Qualifying IPO, the Borrower may make Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Equity Interests (other than Disqualified Capital Stock) of Holdings held by any future, present or former employee, director, manager or consultant of Holdings, any of its Restricted Subsidiaries pursuant to any management equity plan or stock option plan or any other employee benefit plan, management plan or agreement, or any stock subscription or shareholder agreement; provided that, the aggregate Restricted Payments made under this clause (y) subsequent to the Effective Date do not exceed in any fiscal year \$5,000,000 plus the net cash proceeds of any “key man” life insurance policies contributed to the Borrower in cash plus cash proceeds from the sale to any employees or members of management (or their respective Immediate Family Members of Equity Interests of the Borrower or any direct or indirect parent company of the Borrower (to the extent such proceeds are contributed to the Borrower) pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the direct or indirect Parent of Holdings, Holdings, the Borrower and its Restricted Subsidiaries (with unused amounts in any calendar year being carried over to succeeding fiscal years subject to maximum aggregate Restricted Payments under this clause of \$10,000,000 in any fiscal year), (iv) the Borrower may make Restricted Payments of an amount equal to the Permitted Tax Distribution Amount with respect to a taxable period (on a quarterly or less frequent basis and with the Permitted Tax Distribution Amounts with respect to a taxable period permitted to be paid either during or after such period), (v) [reserved], (vi) subject to satisfaction of the applicable Available Amount Usage Conditions, Restricted Payments not to exceed the sum of (x) Available Amount plus (y) \$20,000,000 (less the amount paid under clause (b)(v)(y) , below), (vii) the repurchase of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price of those stock options, (viii) Permitted Payments to Parent, (ix) payments to any Parent on the Effective Date used to fund the Aggregate Distribution Amount (as defined in the Purchase Agreement) pursuant to Section 2.01 of the Purchase Agreement, (x) a potential payment to redeem, directly or indirectly, certain securities held by the former chief financial officer of the Borrower in an amount not to exceed \$500,000, (xi) the payment of the Effective Date Dividend, (xii) additional dividends in an aggregate amount per annum not to exceed an amount equal to 6% of the net proceeds received by (or contributed to) the Borrower and its

Restricted Subsidiaries from a Qualifying IPO and (xiii) the Borrower may make (or may make Restricted Payments to allow any Parent to make) Restricted Payments in an amount equal to withholding or similar taxes payable or expected to be payable by any present or former employee, director, manager, consultant or other service provider (or Immediate Family Members) and any repurchases of Equity Interests in consideration of such payments including deemed repurchases in connection with the exercise of stock options or warrants.

(b) No Loan Party will, nor will it permit any Restricted Subsidiary to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any subordinated, unsecured or junior lien Indebtedness, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any subordinated, unsecured or junior lien Indebtedness, except:

(i) payment of Indebtedness created under the Loan Documents;

(ii) payment of regularly scheduled interest and principal payments as and when due in respect of any Indebtedness permitted under Section 6.01 , other than payments in respect of the Subordinated Indebtedness prohibited by the subordination provisions thereof;

(iii) refinancings of Indebtedness to the extent permitted by Section 6.01 ;

(iv) payment of secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(v) subject to satisfaction of the applicable Available Amount Usage Conditions, Restricted Payments not to exceed the sum of (x) Available Amount plus (y) \$20,000,000 (less the amount paid under clause (a)(vi)(y) , above);

(vi) the unwinding of any Swap Contract; and

(vii) other restricted payments not to exceed \$5,000,000 in connection with payment of Indebtedness.

SECTION 6.09. Transactions with Affiliates . No Loan Party will, nor will it permit any Restricted Subsidiary to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, other than any transaction or series of related transactions not exceeding \$3,000,000 in the aggregate, and except that the following shall be permitted: (a) transactions at prices and on terms and conditions not less favorable to the Loan Party or such Restricted Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between and among (x) any Loan Parties or (y) any wholly-owned Restricted Subsidiaries that are not Loan Parties, in each case, not involving any other Affiliate, (c) any investment permitted by Section 6.04 , (d) any disposition permitted by Section 6.05 , (e) any Indebtedness permitted under Section 6.01(c) , (f) any Restricted Payment permitted by Section 6.08 , (g) transactions between and among Holdings, the Borrower and any wholly-owned Restricted Subsidiaries reasonably approved by management in furtherance of the business purposes of Holdings, the Borrower and its Subsidiaries, (h) the payment of reasonable fees to directors of Holdings, the Borrower or any Subsidiary who are not employees of Holdings, the Borrower or any Subsidiary, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of,

directors, officers or employees of Holdings, the Borrower or its Subsidiaries in the ordinary course of business, (i) any issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans approved by the Borrower's board of directors, (j) the payment of (A) termination payments consisting of twelve months of management fees, the reimbursement of costs and out-of pocket expenses and indemnification obligations, and (B) management fees, which management fees shall not exceed \$1,500,000 in any fiscal year, in each case pursuant to the Management Agreement, provided, that no management fees thereunder shall be permitted to be in cash to the extent that an Event of Default has occurred and is continuing and further provided, that all accrued management fees which were not permitted to be paid in cash at such time shall be permitted to be paid in cash once no Event of Default is continuing, (k) any contribution to the capital of Holdings or any purchase of Equity Interests of Holdings to the extent otherwise permitted by this Agreement, (l) issuances of Equity Interests (and options and warrants therefor) of the Borrower or Holdings to the extent otherwise permitted by this Agreement, (m) payments to or from, and transactions with joint ventures (to the extent any such joint venture is only an Affiliate as a result of Investments by the Holdings, the Borrower or its Subsidiaries in such joint venture and such transactions are reasonably approved by management in furtherance of the business purposes of Holdings, the Borrower and its Subsidiaries) to the extent otherwise permitted under this Agreement, and (n) the payment of customary fees and reasonable and documented out-of-pocket costs to, and indemnities provided on behalf of, directors, officers, employees and consultants of Holdings, the Borrower and its Restricted Subsidiaries or any direct or indirect parent of the Borrower to the extent attributable to the ownership or operation of the Borrower and its Restricted Subsidiaries.

SECTION 6.10. Restrictive Agreements . No Loan Party will, nor will it permit any Restricted Subsidiary to, directly or indirectly enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of such Loan Party or any of its Restricted Subsidiaries to create, incur or permit to exist any Lien upon any of its property or assets to secure the Obligations under the Loan Documents, or (b) the ability of any Restricted Subsidiary to pay dividends or other distributions with respect to any Equity Interests or to make or repay loans or advances to Holdings, the Borrower or any other Restricted Subsidiary or to Guarantee Indebtedness of Holdings, the Borrower or any other Restricted Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by any Requirement of Law or by any Loan Document (or any agreement governing Permitted Pari Passu Secured Refinancing Debt), (ii) the foregoing shall not apply to restrictions and conditions (A) existing on the date hereof identified on Schedule 6.10 (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition) or (B) are binding on a Restricted Subsidiary at the time such Person first becomes a Restricted Subsidiary, so long as such restrictions and conditions were not entered into in contemplation of such Person becoming a Restricted Subsidiary, (iii) the foregoing shall not apply to (A) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary, or a business unit, units or line of business of a Subsidiary, pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, and (B) with respect to clause (b) only, any Indebtedness (x) of non-Loan Parties permitted to be incurred hereunder, (y) of Loan Parties permitted to be incurred hereunder solely with respect to (i) customary restrictions in such Indebtedness on payments to Holdings or (ii) customary restrictions on payments from Loan Parties to non-Loan Parties; provided that the restrictions and conditions contained in any such agreement or document in clause (B) above do not in the reasonable judgment of the Borrower, materially impair the ability of the Borrower to repay the Loans and grant any Liens hereunder, (iv) the foregoing shall not apply to restrictions and conditions customary in joint venture agreements and other similar agreements applicable to joint ventures and applicable solely to such joint venture, (v) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness and such property or assets do not constitute Collateral and (vi) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof.

SECTION 6.11. Amendment of Material Documents . No Loan Party will, nor will it permit any Restricted Subsidiary to, its certificate or articles of incorporation, by-laws, operating, management or partnership agreement or other organizational documents, to the extent any such amendment, modification or waiver would be materially adverse to the Lenders.

SECTION 6.12. Financial Covenant . At any time during which and Revolving Commitments, Revolving Loans or Revolving Exposure exists or is outstanding, the Borrower will not permit the Total Net Leverage Ratio, on the last day of any fiscal quarter ending during any period set forth below, to be greater than the ratio set forth below opposite such period:

<u>Fiscal Quarter Ending</u>	<u>Total Net Leverage Ratio</u>
June 30, 2014	6.25 to 1.00
September 30, 2014	6.00 to 1.00
December 31, 2014	6.00 to 1.00
March 31, 2015	5.75 to 1.00
June 30, 2015	5.75 to 1.00
September 30, 2015	5.75 to 1.00
December 31, 2015	5.50 to 1.00
March 31, 2016	5.25 to 1.00
June 30, 2016	5.00 to 1.00
September 30, 2016	5.00 to 1.00
December 31, 2016	4.75 to 1.00
March 31, 2017	4.75 to 1.00
June 30, 2017	4.50 to 1.00
September 30, 2017	4.50 to 1.00
December 31, 2017	4.25 to 1.00
March 31, 2018	4.25 to 1.00
June 30, 2018 and thereafter	4.00 to 1.00

ARTICLE VII

Events of Default

SECTION 7.01. If any of the following events (“Events of Default”) shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Loan Party or any Restricted Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been materially incorrect when made or deemed made;

(d) any Loan Party (other than Immaterial Subsidiaries) shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a) , Section 5.03 (with respect to a Loan Party's existence) or Section 5.08 or in ARTICLE VI (provided that if Borrower has provided notice of an intent to exercise the Cure Right in respect of a Default under Section 6.12 , an Event of Default shall not have been deemed to occur until the date by which the Borrower may exercise such Cure Right; and provided further that, notwithstanding this clause (d) , no breach or default by under Section 6.12 will constitute a Default or Event of Default with respect to the Term Loans unless and until the Required Revolving Lenders have accelerated the Revolving Loans and terminated the Revolving Commitments and demanded repayment of, or otherwise accelerated, the Indebtedness or other obligations under or in respect of any Revolving Exposure);

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause (a) , (b) or (d)), and such failure shall continue unremedied for a period of 30 days after the earlier of any Loan Party's knowledge of such breach or notice thereof from the Administrative Agent (which notice will be given at the request of any Lender);

(f) any Loan Party or any Restricted Subsidiary of a Loan Party shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any applicable grace period);

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) 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;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of a Loan Party or any Restricted Subsidiary (other than Immaterial Subsidiaries) of any Loan Party or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or any Restricted Subsidiary (other than Immaterial Subsidiaries) of any Loan Party or for a substantial part of its assets, and, in any such case, 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;

(i) any Loan Party or any Restricted Subsidiary (other than Immaterial Subsidiaries) of any Loan Party shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of,

or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article , (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for such Loan Party or Restricted Subsidiary (other than Immaterial Subsidiaries) of any Loan Party or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) any Loan Party or any Restricted Subsidiary of any Loan Party shall become unable, admit in writing its inability or fail generally, to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$15,000,000 shall be rendered against any Loan Party, any Restricted Subsidiary of any Loan Party or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of any Loan Party or any Restricted Subsidiary of any Loan Party to enforce any such judgment or any Loan Party or any Restricted Subsidiary of any Loan Party shall fail within 30 days to discharge one or more non-monetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgments or orders, in any such case, are not stayed on appeal and being appropriately contested in good faith by proper proceedings diligently pursued;

(l) an ERISA Event shall have occurred that when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur;

(n) any Loan Guaranty shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Loan Guaranty, or any Loan Guarantor shall fail to comply with any of the terms or provisions of the Loan Guaranty, or any Loan Guarantor shall deny that it has any further liability under the Loan Guaranty, or shall give notice to such effect, including, but not limited to notice of termination delivered pursuant to Section 10.08 ;

(o) except as permitted by the terms of any Collateral Document, or as a result of the Administrative Agent's failure to maintain possession of any stock certificates, promissory notes or other instruments delivered under the Collateral Documents or to file Uniform Commercial Code continuation statements or any other filings required to maintain such perfection or priority and except to the extent such loss is covered by a Lender's title insurance policy and the Administrative Agent shall be reasonably satisfied with the credit of such insurer, (i) any Lien securing any Secured Obligation shall cease to be a perfected, first priority Lien on, or (ii) any Collateral Document shall for any reason fail to create a valid security interest in, in each case, Collateral with an aggregate fair market value in excess of \$5,000,000 (for all such Collateral) purported to be covered thereby;

(p) except as permitted by the terms of this Agreement, any Loan Document shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Collateral Document; or

(q) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction that evidences its assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms),

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, but ratably as among the Classes of Loans and the Loans of each Class at the time outstanding, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article , the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC.

SECTION 7.02. (a) Notwithstanding anything to the contrary, in the event the Borrower fails to comply with the requirements of Section 6.12 for any period, until the expiration of the 10th day after the date the certificate calculating the financial covenants is required to be delivered pursuant to Section 5.01 for such period, any direct or indirect parent of Holdings shall have the right to make cash contributions in respect of common equity or as common Equity Interests in Holdings (collectively, the “ Cure Right ”), and upon contribution by Holdings of such cash to the Borrower in respect of common equity or as cash common equity (the amount of such contribution, the “ Cure Amount ”), the financial covenants in Section 6.12 shall be recalculated giving effect to the following pro forma adjustments: (i) EBITDA (for such fiscal quarter) shall be increased, solely for the purpose of measuring the financial covenants (and not to determine whether the Borrower is in pro forma compliance with the other financial ratios in this Agreement) and not for any other purpose under this Agreement, by an amount equal to the Cure Amount; and (ii) if, after giving effect to the foregoing recalculations, the Borrower shall then be in compliance with the requirements of the financial covenants, the Borrower shall be deemed to have satisfied the requirements of the financial covenants as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of the financial covenants that had occurred shall be deemed cured for purposes of this Agreement.

(b) Notwithstanding anything herein to the contrary, (i) during any period of four consecutive fiscal quarters there shall be at least two fiscal quarters during which the Cure Right has not been exercised, (ii) there shall be no more than five times during the term of this Agreement during which the Cure Right is exercised, (iii) the Cure Amount shall be no greater than the amount required for purposes of complying with the financial covenants for the relevant period, (iv) any reduction in

Indebtedness with the proceeds of any Cure Amount shall be ignored for purposes of determining compliance with the financial covenants (and not to determine whether the Borrower is in pro forma compliance with the other financial ratios in this Agreement) for so long as EBITDA is increased by the Cure amount for such purposes and (v) all Cure Amounts shall be disregarded for purposes of determining compliance with financial ratio-based conditions contained herein or any baskets with respect to the covenants contained in the Loan Documents. The Revolving Lenders shall not be required to comply with any request for Borrowing during any financial covenant default and until such time as the Borrower has received the Cure Amount necessary for complying with the financial covenants for the relevant period.

ARTICLE VIII

The Administrative Agent

SECTION 8.01. Appointment . Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. In addition, to the extent required under the laws of any jurisdiction other than the U.S., each of the Lenders and the Issuing Bank hereby grants to the Administrative Agent any required powers of attorney to execute any Collateral Document governed by the laws of such jurisdiction on such Lender's or Issuing Bank's behalf. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders (including the Swingline Lender and the Issuing Bank), and the Loan Parties shall not have rights as a third party beneficiary of any of such provisions (other than their express consent rights with respect to Borrower's consent rights to approve a successor Administrative Agent appointed by the Required Lenders). It is understood and agreed that the use of the term "agent" as used herein or in any other Loan Documents (or any similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

SECTION 8.02. Rights as a Lender . The bank serving as the 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 the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Loan Parties or any Restricted Subsidiary of a Loan Party or other Affiliate thereof as if it were not the Administrative Agent hereunder.

SECTION 8.03. Duties and Obligations . The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and, (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Restricted Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be

liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral, or (vi) the satisfaction of any condition set forth in ARTICLE IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan.

SECTION 8.04. Reliance . The Administrative 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 believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. 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 8.05. Actions through Sub-Agents . The Administrative Agent may perform any and all of its duties and exercise its rights and powers 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 its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties 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 8.06. Resignation . Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Bank and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed), to appoint a successor; provided that no such consent of the Borrowers shall be required at any time during the existence of an Event of Default. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent which shall be a commercial bank or an Affiliate of any such commercial bank. Upon the acceptance of its appointment as Administrative Agent hereunder by its successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as

those payable to its predecessor unless otherwise agreed by the Borrower and such successor. Notwithstanding the foregoing, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Bank and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, provided that, solely for purposes of maintaining any security interest granted to the Administrative Agent under any Collateral Document for the benefit of the Secured Parties, the retiring Administrative Agent shall continue to be vested with such security interest as collateral agent for the benefit of the Secured Parties and, in the case of any Collateral in the possession of the Administrative Agent, shall continue to hold such Collateral, in each case until such time as a successor Administrative Agent is appointed and accepts such appointment in accordance with this paragraph (it being understood and agreed that the retiring Administrative Agent shall have no duty or obligation to take any further action under any Collateral Document, including any action required to maintain the perfection of any such security interest), and (b) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, provided that (i) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (ii) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall also directly be given or made to each Lender and the Issuing Bank. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article , Section 2.17(d) and Section 9.03 , as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent and in respect of the matters referred to in the proviso under clause (a) above. Any such resignation by the Administrative Agent hereunder shall also constitute its resignation as an Issuing Bank and the Swingline Lender, in which case the resigning Administrative Agent (x) shall not be required to issue any further Letters of Credit or make any additional Swingline Loans hereunder and (y) shall maintain all of its rights as Issuing Bank or Swingline Lender, as the case may be, with respect to any Letters of Credit issued by it, or Swingline Loans made by it, prior to the date of such resignation.

SECTION 8.07. Intercreditor and Subordination Agreements . The Administrative Agent and each Credit Party (a) hereby agrees that it will be bound by and will take no actions contrary to the provisions of any intercreditor agreement and subordination agreement entered into pursuant to the terms hereof, (b) hereby authorizes and instructs the Administrative Agent to enter into each intercreditor agreement and subordination agreement entered into pursuant to the terms hereof and to subject the Liens securing the Obligations to the provisions thereof, and (c) hereby authorizes and instructs the Administrative Agent to enter into any intercreditor agreement and subordination agreement that includes, or to amend any then existing intercreditor agreement and subordination agreement.

SECTION 8.08. Non-Reliance .

Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and letters of credit and not investments in a business enterprise or securities. Each Lender further represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder. Each Lender shall, independently and without reliance upon the Administrative

Agent or any other Lender and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document, any related agreement or any document furnished hereunder or thereunder and in deciding whether or to the extent to which it will continue as a lender or assign or otherwise transfer its rights, interests and obligations hereunder.

SECTION 8.09. Administrative Agent May File Proof of Claim . In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or 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 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 Credit Parties and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Credit Parties and the Administrative Agent and their respective agents and counsel and all other amounts due the Credit Parties and the Administrative Agent hereunder) allowed in such judicial proceeding;

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and

(c) any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Credit Party 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 Credit Parties, 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 to the Administrative Agent hereunder.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Credit Party any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Credit Party or to authorize the Administrative Agent to vote in respect of the claim of any Credit Party in any such proceeding.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices .

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (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 fax, as follows:

(i) if to any Loan Party, to it in care of the Borrower at:

Planet Fitness
26 Fox Run Road
Newington, NH 03801
Attention: Richard Moore, Executive Vice President and General Counsel
Fax No: 603-742-1544

(ii) if to the Administrative Agent, the Swingline Lender, or the Issuing Bank, to JPMorgan Chase Bank, N.A. at:

Loan and Agency Services Group
10 South Dearborn, 7th Floor
Chicago, IL 60603-2003
Attention: Darren Cunningham
Fax No: (888) 292-9533
Phone No: (312)385-7080

With a copy to:

JPMorgan Chase Bank, N.A.
2 Corporate Drive, Floor 07
Shelton, CT, 06484-6238
Attention: Peter Killea
Fax No: (203) 944-8495

(iii) if to any other Lender, to it at its address or fax number set forth in its Administrative Questionnaire.

All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received, (ii) sent by fax shall be deemed to have been given when sent, provided 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 Business Day for the recipient, or (iii) delivered through electronic communication to the extent provided in paragraph (b) below shall be effective as provided in such paragraph.

(b) Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communications (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 pursuant to ARTICLE II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower (on behalf of the Loan Parties) 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. All such notices and other communications (i) 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 not given during the normal business hours of the recipient, such notice shall be deemed to have been given at the opening of business

on the next Business Day for the recipient, and (ii) 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 (b)(i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Any party hereto may change its address or fax number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any such change by a Lender, by notice to the Borrower and the Administrative Agent).

SECTION 9.02. Waivers; Amendments .

(a) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document 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 Administrative Agent, the Issuing Bank and the Lenders hereunder and under any other Loan Document are cumulative and are not exclusive of any rights or remedies that they would otherwise have. 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 , and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Except as provided in Sections 2.23 , 2.24 and 2.25 , neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except (i) in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders (other than with respect to any amendment or waiver contemplated in clauses (B) , (C) , (D) and (E) which shall only require the consent of each Lender directly and adversely affected thereby or clauses (H) and (I) which shall only require the consent of the applicable Required Class Lenders), or (ii) in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, with the consent of the Required Lenders; provided that, no such agreement shall (A) increase the Commitment of any Lender without the written consent of such Lender (including any such Lender that is a Defaulting Lender, it being understood that no amendment, modification, termination, waiver or consent with respect to any condition precedent, covenant, mandatory prepayment or Default shall constitute an increase in the Commitment of any Lender), (B) reduce or forgive the principal amount of any Loan or LC Disbursement (except in connection with a payment contemplated by clause (I) below) or reduce the rate of interest thereon (it being understood that any amendment or modification to the financial definitions in this Agreement shall not constitute a reduction in the rate of interest for purposes of this clause (B)), or reduce or forgive any interest or fees payable hereunder, without the written consent of each Lender directly and adversely affected thereby, (C) postpone any scheduled date of payment of the principal amount of any Loan or LC Disbursements, or any date for the payment of any interest, fees or other Obligations payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly and adversely affected thereby, (D) change Section 2.18(b) or (d) in a manner that would alter the manner in which payments are shared, without the written consent of each Lender directly and adversely affected thereby, (E) change any of the provisions of this Section or the definition of “Required Lenders” or “Required Revolving Lenders” or “Required Class Lenders” or any other provision of any Loan Document specifying the number or

percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender directly affected thereby, (F) release all or substantially all Loan Guarantors from their obligation under its Loan Guaranty (except as otherwise permitted herein or in the other Loan Documents), without the written consent of each Lender (other than any Defaulting Lender), (G) except as provided in clause (c) of this Section or in any Collateral Document, release all or substantially all of the Collateral (it being understood that additional Classes of Loans consented to by the Required Lenders may be equally and ratably secured (or secured on a junior basis) by the Collateral with the then existing Secured Obligations under the Security Agreement) without the written consent of each Lender (other than any Defaulting Lender); (H) (1) waive any condition set forth in Section 4.02 as to any extension of credit as to one or more Classes of Loans or (2) amend, waive or otherwise modify any term or provision which directly affects Lenders under one or more Class of Loans and does not directly affect Lenders under any other Class (it being understood that the provisions of Section 6.12 (or the definition of “Total Net Leverage Ratio” or any component definition thereof, in each case, as such definition is used solely for purposes of Section 6.12) shall be deemed to solely affect Revolving Lenders for the purposes of this clause (H)), in each case, without the written consent of the Required Class Lenders under such applicable Class or Classes of Loans (and in the case of multiple Classes which are affected, such Required Class Lenders shall consent together) (it being understood that any amendment to the conditions of effectiveness of Commitments in respect of Incremental Facilities or Commitments in respect of Refinancing Loans shall be subject to clause (I) below); provided, that the waivers described in this clause (H) shall not require the consent of any Lenders other than (x) the Required Class Lenders under such Class or Classes and (y) in the case of any waiver that otherwise would be subject to clause (A), (B), (C), (D), (E) or (F) above, each Lender or each directly affected Lender (as specified in clause (A), (B), (C), (D), (E) or (F) above) under the applicable Class or Classes of Loans or (I) amend, waive or otherwise modify any term or provision (including the availability and conditions to funding under Section 2.23 or 2.24 with respect to Incremental Loans and the rate of interest applicable thereto or Refinancing Loans) which directly affects Lenders of one or more Incremental Loans or Refinancing Loans, as the case may be, and does not directly affect Lenders under any other Class, in each case, without the written consent of the Required Class Lenders under such applicable Incremental Loans or Refinancing Loans, as the case may be (and in the case of multiple Classes which are affected, such Required Class Lenders shall consent together); provided, that the waivers described in this clause (I) shall not require the consent of any Lenders other than (x) the Required Class Lenders under such applicable Incremental Loans or Refinancing Loans and (y) in the case of any waiver that otherwise would be subject to clause (A), (B), (C), (D), (E) or (F) above, each Lender or each directly affected Lender (as specified in clause (A), (B), (C), (D), (E) or (F) above) under the applicable Class or Classes of Incremental Loans or Refinancing Loans; provided further that in respect of each of the foregoing clauses (A) through (I), no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Swingline Lender or the Issuing Bank hereunder without the prior written consent of the Administrative Agent, the Swingline Lender or the Issuing Bank, as the case may be (it being understood that any change to Section 2.20 shall require the consent of the Administrative Agent, the Swingline Lender and the Issuing Bank). Notwithstanding anything to the contrary in this Section, if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and the Borrower 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 if the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof. The Administrative Agent may also amend the Commitment Schedule to reflect assignments entered into pursuant to Section 9.04.

(c) The Lenders and the Issuing Bank hereby irrevocably authorize the Administrative Agent and the Administrative Agent shall release any Liens granted to the Administrative Agent by the Loan Parties on any Collateral (i) upon the termination of the all Commitments, payment and satisfaction in full in cash of all Secured Obligations (other than Unliquidated Obligations), and the cash collateralization of all Unliquidated Obligations (other than contingent indemnification obligations in respect of which no claim has been made) in a manner reasonably satisfactory to each affected Lender, (ii) constituting property being sold or disposed of if the Loan Party disposing of such property certifies to the Administrative Agent that the sale or disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry), and to the extent that the property being sold or disposed of constitutes 100% of the Equity Interest of a Restricted Subsidiary, the Administrative Agent is authorized to release any Loan Guaranty and any other Collateral provided by such Restricted Subsidiary, (iii) constituting property leased to a Loan Party under a lease which has expired or been terminated in a transaction permitted under this Agreement, or (iv) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Administrative Agent and the Lenders pursuant to ARTICLE VII . Except as provided in the preceding sentence, the Administrative Agent will not release any Liens on Collateral without the prior written authorization of the Required Lenders. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations 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. Any execution and delivery by the Administrative Agent of documents in connection with any such release shall be without recourse to or warranty by the Administrative Agent.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of “each Lender” or “each Lender affected thereby,” the consent of the Required Lenders or Required Class Lenders, as applicable, is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but has not been obtained being referred to herein as a “Non-Consenting Lender”), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date, to comply with the requirements of clause (b) of Section 9.04 , and consents to any such proposed amendment, waiver or consent, and (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17 , and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

SECTION 9.03. Expenses; Indemnity; Damage Waiver .

(a) The Loan Parties, jointly and severally, shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of one primary counsel and one local counsel in each relevant jurisdiction for the Administrative Agent, in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Intralinks) of the credit facilities provided for herein, the preparation and administration of the Loan Documents or any amendments, modifications or waivers of the provisions of the Loan Documents, (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the

Administrative Agent, the Issuing Bank or any Lender, including the reasonable fees, charges and disbursements of one primary counsel for the Administrative Agent, the Issuing Bank and the Lenders, taken as a whole, and one local counsel in any relevant jurisdiction to the Administrative Agent, the Issuing Bank and the Lenders, taken as a whole, and one additional counsel in light of actual or potential conflicts of interest or the availability of different claims or defenses) in connection with the enforcement, collection or protection of its rights in connection with the Loan Documents, including its rights under this Section , or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

All of the foregoing costs and expenses may be charged to the Borrower as Revolving Loans or to another deposit account, all as described in Section 2.18(c) .

(b) Borrower shall indemnify the Administrative Agent, the Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “ Indemnitee ”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and to reimburse each Indemnitee for reasonable out-of-pocket expenses (including reasonable legal expenses by one counsel to such Indemnitees taken as a whole and in the case of a conflict of interest, one additional counsel to the affected Indemnitees taken as a whole (and if reasonably necessary, of one local counsel in any relevant jurisdiction)), for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Restricted Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Restricted Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto, and to reimburse each Indemnitee for reasonable out-of-pocket expenses (including reasonable legal expenses by one counsel to such Indemnitees taken as a whole and in the case of a conflict of interest, one additional counsel to the affected Indemnitees taken as a whole (and if reasonably necessary, of one local counsel in any relevant jurisdiction)) incurred in connection with investigating or defending any of the foregoing; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (1) the (x) bad faith, gross negligence or willful misconduct of such Indemnitee or any of its Related Parties, (y) a material breach of its funding obligations under this Agreement by such Indemnitee or any of its Related Parties, or (2) any dispute solely among indemnified parties (not arising as a result of any act or omission by the Borrower or any of its Restricted Subsidiaries) other than claims against the Administrative Agent, the Issuing Bank or Swingline Lender. This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses or damages arising from any non-Tax claim.

(c) To the extent that the Loan Parties fail to pay any amount required to be paid by them to the Administrative Agent (or any sub-agent thereof), the Swingline Lender or the Issuing Bank (or any Related Party of any of the foregoing) under paragraph (a) or (b) of this Section , each Lender severally agrees to pay to the Administrative Agent, the Swingline Lender or the Issuing Bank (or any Related Party of any of the foregoing), as the case may be, such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of

such unpaid amount (it being understood that the Borrower's failure to pay any such amount shall not relieve the Borrower or any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, penalty, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Swingline Lender or the Issuing Bank in its capacity as such.

(d) To the extent permitted by applicable law, no Loan Party shall assert, and each hereby waives, any claim against any Indemnatee, for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), except to the extent that any such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (1) the (x) bad faith, gross negligence or willful misconduct of such Indemnatee or its Related Parties. In addition, none of the Borrower, the Permitted Holders, any Indemnatee, any of their respective Affiliates or any Related Party shall be liable under this Agreement on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof (except for the Loan Parties' indemnification obligations under this Agreement or any other Loan Document for liabilities incurred by or asserted or awarded against an Indemnatee).

(e) All amounts due under this Section shall be payable after written demand therefor.

SECTION 9.04. 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 assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section . 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 (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution or a Disqualified Institution) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of:

(A) the Borrower, provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof, and provided further that no consent of the Borrower shall be required for an assignment (x) to an Affiliate of the assigning Lender, (y) with respect to Term Loans, to a Lender or to an Affiliate of a Lender, an Approved Fund or (z) to any assignee, if an Event of Default has occurred and is continuing;

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment of all or any portion of a Term Loan to a Lender, an Affiliate of a Lender or an Approved Fund;

(C) the Issuing Bank, provided that no consent of the Issuing Bank shall be required for an assignment of all or any portion of a Term Loan or Term Commitment; and

(D) the Swingline Lender, provided that no consent of the Swingline Lender shall be required for an assignment of all or any portion of a Term Loan or Term Commitment.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender, or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or 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) shall not be less than \$5,000,000 or, in the case of a Term Loan, \$1,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default under Section 7.01(a) , (b) , (h) or (i) has occurred and is continuing;

(B) 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, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the other Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

meanings: For the purposes of this Section 9.04(b) , the terms “ Approved Fund ” and “ Ineligible Institution ” have the following

“ Approved Fund ” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“ Ineligible Institution ” means a (a) natural person, (b) holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof; provided that, such holding company, investment vehicle or trust shall not constitute an Ineligible Institution if it (i) has not been established for the primary purpose of acquiring any Loans or Commitments, (ii) is managed by a professional advisor, who is not such natural person or a relative thereof, having significant experience in the business of making or purchasing commercial loans, and (iii) has assets greater than \$25,000,000 and a significant part of its activities consist of making or purchasing commercial loans and similar extensions of credit in the ordinary course of its business; provided that upon the occurrence of an Event of Default, any Person (other than a Lender) shall be an Ineligible Institution if after giving effect to any proposed assignment to such Person, such Person would hold more than 20% of the then outstanding Revolving Exposure or Revolving Commitments, as the case may be or (c) the Borrower or any of the Borrower’s Subsidiaries or other Affiliates. For the avoidance of doubt, the Administrative Agent shall bear no responsibility or liability for monitoring and enforcing the list of Ineligible Institutions or Disqualified Institutions or the assignment of Loans or sales of participations thereto at any time.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section , from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto 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 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 2.15 , 2.16 , 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 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 paragraph (c) of this Section .

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount and stated interest of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the “ Register ”). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Bank 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, the Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee’s completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section , the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Sections 2.05 , 2.06(d) or (e) ,

2.07(b) , 2.18(d) or 9.03(c) , the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrower, the Administrative Agent, the Swingline Lender or the Issuing Bank, sell participations to one or more banks or other entities (a “ Participant ”), other than an Ineligible Institution or a Disqualified Institution, in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitment and the 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 Administrative Agent, the Issuing Bank 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 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, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15 , 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section ; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section ; and (B) shall not be entitled to receive any greater payment under Sections 2.15 or 2.17 , with respect to any participation, than its participating Lender would have been entitled to receive. A Participant shall not be entitled to receive any greater payment under Section 2.15 or Section 2.17 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. A Participant shall not be entitled to the benefits of Section 2.17 unless the Borrower and the Administrative Agent are notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower and any withholding Agent, to comply with (and does in fact comply with) Section 2.17(f) as though it were a Lender.

Each Lender that sells a participation agrees, at the Borrower’s request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters 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 or any other Loan Document (the “ Participant Register ”); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant’s interest in any Commitments, Loans, Letters of Credit or its other obligations under this Agreement or any other Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender 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. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank or other central bank having jurisdiction over such Lender, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Notwithstanding anything to the contrary, assignments of the Term Loans to the Sponsor and its affiliates (other than Holdings, the Borrower and its Subsidiaries), each, an “ Affiliated Lender ”) shall be permitted pursuant to (x) open-market purchases or (y) an offer to purchase or take by assignment any Term Loans outstanding at such time to all applicable Lenders on a pro rata basis (including pursuant to a Dutch auction or a reverse Dutch auction), pursuant to customary procedures to be agreed between the applicable Affiliated Lender and the Administrative Agent (and shall require that such Person clearly identify itself as an Affiliated Lender), subject to the following limitations: (i) no Affiliated Lender shall be permitted to make or bring (or participate in, other than as a passive participant in or recipient of its pro rata benefits of) any claim, in its capacity as a Lender, against the Administrative Agent or any other Lender with respect to any duties or obligations or alleged duties or obligations of the Administrative Agent or any such other Lender under the Loan Documents; (ii) Affiliated Lenders will not receive information provided solely to Lenders by the Administrative Agent or any Lender and will not be permitted to attend/participate in meetings attended solely by the Lenders and the Administrative Agent; (iii) for purposes of any amendment, waiver or modification of this Agreement and any other the Loan Document or any plan of reorganization that in either case does not require the consent of each Lender or each affected Lender or does not disproportionately affect such Affiliated Lender in its capacity as a Lender as compared to other Lenders or deprive any Affiliated Lender of its pro rata share of any payment to which all Lenders are entitled, Affiliated Lenders will be deemed to have voted in the same proportion as non-Affiliated Lenders voting on such matter; and (iv) the principal amount of Term Loans (including any Incremental Term Loans) purchased by Affiliated Lenders may not exceed 20% of the aggregate principal amount of the Term Loans outstanding at the time of purchase;

(f) Holdings, the Borrower, its Subsidiaries and any Affiliate thereof (other than Affiliated Lenders) may from time to time purchase, in accordance with this clause (f) , Term Loans from one or more Lenders pursuant to (x) open-market purchases or (y) an offer to purchase or take by assignment any Term Loans outstanding at such time to all applicable Lenders on a pro rata basis (including pursuant to a Dutch auction or a reverse Dutch auction), pursuant to customary procedures to be agreed between Holdings and the Administrative Agent (and shall require that such Person clearly identify itself as Holdings, the Borrower, its Subsidiaries and any Affiliate thereof (other than Affiliated Lenders)), so long as, in the case of each of clauses (x) and (y) , (i) immediately after giving effect to such purchase, no Default or Event of Default shall have occurred and be continuing, (ii) by its purchase or other acquisition of a Loan, each such Person shall be deemed to have acknowledged and agreed to clauses (e)(i) , (ii) and (iii) above mutatis mutandis, (iii) the Term Loans so acquired by Holdings, Borrower or any of its Subsidiaries be immediately cancelled, (iv) proceeds of any Revolving Loans or Incremental Facilities may not be used to acquire such Term Loans and (v) the Assignment and Assumption shall include a representation by such Person to the effect that either (A) such Person does not have any material non-public information (“ MNPI ”) with respect to Holdings or any of its Subsidiaries or securities that either (x) has not been disclosed to the Term Lenders generally (other than Term Lenders that do not wish to receive MNPI with respect to Holdings or any of its Subsidiaries or securities), or (y) if not disclosed to the Lenders, would reasonably be expected to have a material adverse

effect upon, or otherwise be material to, a Lender's decision to sell Loans to such Person or purchase Loans from such Person, as applicable and each Lender and Borrower agree to execute such documents (including, without limitation, amendments to this Agreement) as shall be necessary to effect the foregoing or (B) such Person cannot represent at such time that it does not possess MNPI that has not been disclosed to the Term Lenders generally (other than Term Lenders that do not wish to receive MNPI with respect to Holdings or any of its Subsidiaries or securities).

(g) The Administrative Agent and its Related Parties shall (i) have no responsibility for tracking or monitoring assignments to or participations by any Affiliated Lender, Holdings, Borrower or its Subsidiaries or Affiliates, (ii) have no responsibility for determining whether or not (A) such person is in possession of any MNPI and (B) such person has disclosed or not disclosed or has a duty to disclose any MNPI and (iii) have the benefit of the indemnification provisions of Section 9.03 in connections with any assignments, participations and purchases made under clauses (e) and (f) of this Section 9.04.

SECTION 9.05. Survival . All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15 , 2.16 , 2.17 and 9.03 and ARTICLE VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof. Except for any provisions hereof which by their express terms or the terms of this Section 9.05 survive such termination, this Agreement will terminate upon termination of the Commitments and repayment of all outstanding Loan Document Obligations.

SECTION 9.06. Counterparts; Integration; Effectiveness . This Agreement may be executed in 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. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or the syndication of Loans and Commitments 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 which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by fax, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability . Any provision of any Loan Document 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 thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff . If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Loan Party against any of and all the Secured Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The applicable Lender shall notify the Borrower and the Administrative Agent of such set-off or application, provided that any failure to give or any delay in giving such notice shall not affect the validity of any such set-off or application under this Section . The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process .

(a) The Loan Documents (other than those containing a contrary express choice of law provision) shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of New York.

(b) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any U.S. Federal or New York State court sitting in County of New York, New York, New York in any action or proceeding arising out of or relating to any Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby 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 extent permitted by 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. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, 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 . Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01 . Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL . EACH PARTY HERETO HEREBY 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, 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, OR OTHER AGENT (INCLUDING ANY 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 .

SECTION 9.11. Headings . Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, nor be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality . Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' respective directors, officers, employees and agents, including accountants, legal counsel and other advisors who need to know such Information in connection with the Transactions and who are informed of the confidential nature of such Information and who are subject to customary confidentiality obligations of professional practice or who agree to be bound by the terms of this Section 9.12 (or language substantially similar to this Section 9.12) (with each of the Administrative Agent, the Issuing Bank and the Lenders, to the extent within its control, responsible for such Person's compliance with this Section 9.12), (b) to the extent requested by any regulatory authority having jurisdiction, or purporting to have jurisdiction over, the Administrative Agent, the Issuing bank or the Lenders or any of its Affiliates, provided , to the extent practicable and unless specifically prohibited by applicable law or court order and except with respect to any audit or examination conducted by bank accountants or any regulatory authority exercising routine examination or regulatory authority, each Lender shall promptly notify the Borrower of any request by any regulatory authority or representative thereof for disclosure of any such confidential information prior to disclosure of such confidential information, (c) to the extent required by any Requirement of Law or by any subpoena or similar legal process, provided , to the extent practicable and unless specifically prohibited by applicable law, rule or regulation, the Administrative Agent, Issuing Bank and the Lender, as applicable shall promptly notify the Borrower thereof prior to disclosure thereof, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 9.12 , to (x) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (y) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Loan Parties and their obligations, (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 of this Section 9.12 or (y) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a non-confidential basis from a source other than the Borrower that is not, to the knowledge of such Administrative Agent, Issuing Bank or Lender, subject to contractual obligations owing to the Borrower or any Restricted Subsidiary, Affiliate or related party thereto. For the purposes of this Section 9.12 , “ Information ” means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a non-confidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 9.12 shall be considered to have complied with its obligation to do so 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.

SECTION 9.13. Several Obligations; Non-reliance; Violation of Law . The respective obligations of the Lenders hereunder are several and not joint and the failure of any Lender to make any Loan or perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. Each Lender hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U of the Board) for the repayment of the Borrowings provided for herein. Anything contained in this Agreement to the contrary notwithstanding, neither the Issuing Bank nor any Lender shall be obligated to extend credit to the Borrower in violation of any Requirement of Law.

SECTION 9.14. USA PATRIOT Act . Each Lender that is subject to the requirements of the USA Patriot Act 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 the Borrower, which information includes the name and address of any Loan Party and other information that will allow such Lender to identify a Loan Party accordance with the USA Patriot Act.

SECTION 9.15. Disclosure . Each Loan Party, each Lender and the Issuing Bank hereby acknowledges and agrees that the Administrative Agent and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with, any of the Loan Parties and their respective Affiliates.

SECTION 9.16. Appointment for Perfection . Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of the Administrative Agent and the Secured Parties, in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession. Should any Lender (other than the Administrative Agent) obtain possession of any such Collateral, such Lender shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or otherwise deal with such Collateral in accordance with the Administrative Agent's instructions.

SECTION 9.17. Interest Rate Limitation . Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.18. 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), the Borrower acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Lenders and their Affiliates, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower 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 of the Lenders and their Affiliates 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 or any of its Affiliates, or any

other Person and (B) no Lender or any of its Affiliates has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except, in the case of a Lender, those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of 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 and its Affiliates, and no Lender or any of its Affiliates has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against each of the Lenders and their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9.19. Authorization to Distribute Certain Materials to Public-Siders .

(a) None of the Loan Parties currently has any publicly traded securities outstanding (including, but not limited to, 144A Securities, commercial paper notes or American Depositary Receipts); provided that the Borrower agrees that if any of the Parties issues any publicly traded securities at a future date, any of the information in the Loan Documents and the Financial Statements to be furnished pursuant to Section 5.01(a) and Section 5.01(b) , to the extent then material , will be publicly disclosed or set forth in the related prospectus or other offering document for such issuance.

(b) The Borrower hereby authorizes the Administrative Agent to distribute the execution versions of the Loan Documents and Financial Statements to all Lenders, including their Public-Siders who indicate that they would not wish to receive information that would be deemed to be material non-public information within the meaning of the United States federal and state securities laws if the Parties had publicly traded securities outstanding.

(c) If the Borrower issues any 144A Securities during the term of this Agreement and its Financial Statements are not filed with the SEC, the Borrower (i) agrees to deliver to the Administrative Agent, and authorizes the posting by the Administrative Agent to the public-side view site of the Agency Site, the Financial Statements and Supplemental Materials and (ii) represents, warrants and agrees that the Financial Statements and Supplemental Materials will not constitute information that, upon disclosure to Public-Siders, would restrict them or their firms from purchasing or selling any of the 144A Securities under United States federal and state securities laws. The Borrower further agrees to clearly label such Financial Statements and/or Supplemental Materials with a notice stating: “ **Confidential Financial Statements provided to 144A Holders** ” or “ **Confidential Supplemental Materials** ,” as the case may, before delivering them to the Administrative Agent.

(d) The Borrower acknowledges its understanding that Public-Siders and their firms may be trading in any of the Loan Parties’ respective securities while in possession of the materials, documents and information distributed to them pursuant to the authorizations made herein.

SECTION 9.20. No Novation . From and after the Effective Date, this Agreement shall be binding on the Borrower, the Guarantors, the Administrative Agent, the Lenders and the other parties hereto, and the Existing Credit Agreement and the provisions thereof shall be amended, restated and replaced in their entirety by this Agreement and the provisions hereof, subject to the following provisions. This Agreement shall not extinguish the obligations for the payment of money outstanding under the Existing Credit Agreement or discharge or release the Lien or priority of any Collateral Document or any other security therefor. Nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Existing Credit Agreement or instruments securing the same, which shall remain in full force and effect, except to any extent modified hereby or by instruments executed concurrently herewith and except to the extent repaid as provided herein. Nothing implied in this Agreement or in any other document contemplated hereby shall be construed as a release or other discharge of any of the Loan Parties under any Loan Document from any of its obligations and liabilities as Borrower, guarantor or pledgor under any of the Loan Documents.

ARTICLE X

Loan Guaranty

SECTION 10.01. Guaranty . Each Loan Guarantor (other than those that have delivered a separate Guaranty) hereby agrees that it is jointly and severally liable for, and absolutely and unconditionally and irrevocably guarantees to the Secured Parties, the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of the Secured Obligations and all reasonable out-of-pocket costs and expenses including, without limitation, all court costs and reasonable attorneys' and paralegals' fees and expenses paid or incurred by the Administrative Agent, the Issuing Bank and the Lenders in endeavoring to collect all or any part of the Secured Obligations from, or in prosecuting any action against, the Borrower, any Loan Guarantor or any other guarantor of all or any part of the Secured Obligations (such costs and expenses, together with the Secured Obligations, collectively the "Guaranteed Obligations"); except that the Guaranteed Obligations of any Loan Guarantor shall exclude Excluded Swap Obligations with respect to such Loan Guarantor). Each Loan Guarantor further agrees that the Guaranteed Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal. All terms of this Loan Guaranty apply to and may be enforced by or on behalf of any domestic or foreign branch or Affiliate of any Lender that extended any portion of the Guaranteed Obligations.

SECTION 10.02. Guaranty of Payment . This Loan Guaranty is a guaranty of payment and not of collection. Each Loan Guarantor waives any right to require the Administrative Agent, the Issuing Bank or any Lender to sue the Borrower, any Loan Guarantor, any other guarantor, or any other Person obligated for all or any part of the Guaranteed Obligations (each, an "Obligated Party"), or otherwise to enforce its payment against any collateral securing all or any part of the Guaranteed Obligations.

SECTION 10.03. No Discharge or Diminishment of Loan Guaranty .

(a) Except as otherwise provided for herein, the obligations of each Loan Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of the Guaranteed Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Guaranteed Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of the Borrower or any other Obligated Party liable for any of the Guaranteed Obligations; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Obligated Party, or their assets or any resulting release or discharge of any obligation of any Obligated Party; or (iv) the existence of any claim, setoff or other rights which any Loan Guarantor may have at any time against any Obligated Party, the Administrative Agent, the Issuing Bank, any Lender, or any other Person, whether in connection herewith or in any unrelated transactions.

(b) The obligations of each Loan Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or unenforceability of any of the Guaranteed Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Obligated Party, of the Guaranteed Obligations or any part thereof.

(c) Further, the obligations of any Loan Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of the Administrative Agent, the Issuing Bank or any Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Guaranteed Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Guaranteed Obligations; (iii) any release, non-perfection, or invalidity of any indirect or direct security for the obligations of the Borrower for all or any part of the Guaranteed Obligations or any obligations of any other Obligated Party liable for any of the Guaranteed Obligations; (iv) any action or failure to act by the Administrative Agent, the Issuing Bank or any Lender with respect to any collateral securing any part of the Guaranteed Obligations; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Guaranteed Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Loan Guarantor or that would otherwise operate as a discharge of any Loan Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of the Guaranteed Obligations).

SECTION 10.04. Defenses Waived . To the fullest extent permitted by applicable law, each Loan Guarantor hereby waives any defense based on or arising out of any defense of the Borrower or any Loan Guarantor or the unenforceability of all or any part of the Guaranteed Obligations from any cause, or the cessation from any cause of the liability of the Borrower or any Loan Guarantor, other than the indefeasible payment in full in cash of the Guaranteed Obligations. Without limiting the generality of the foregoing, each Loan Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Obligated Party, or any other Person. Each Loan Guarantor confirms that it is not a surety under any state law and shall not raise any such law as a defense to its obligations hereunder. The Administrative Agent may, at its election, foreclose on any Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any collateral securing all or a part of the Guaranteed Obligations, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with any Obligated Party or exercise any other right or remedy available to it against any Obligated Party, without affecting or impairing in any way the liability of such Loan Guarantor under this Loan Guaranty, except to the extent the Guaranteed Obligations have been fully and indefeasibly paid in cash. To the fullest extent permitted by applicable law, each Loan Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Loan Guarantor against any Obligated Party or any security.

SECTION 10.05. Rights of Subrogation . No Loan Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification that it has against any Obligated Party, or any collateral, until the Loan Parties and the Loan Guarantors have fully performed all their obligations to the Administrative Agent, the Issuing Bank and the Lenders.

SECTION 10.06. Reinstatement; Stay of Acceleration . If at any time any payment of any portion of the Guaranteed Obligations is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, or reorganization of the Borrower or otherwise, each Loan Guarantor's obligations under this Loan Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not the Administrative Agent, the Issuing Bank and the Lenders are in possession of this Loan Guaranty. If acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Guaranteed Obligations shall nonetheless be payable by the Loan Guarantors forthwith on demand by the Administrative Agent.

SECTION 10.07. Information . Each Loan Guarantor assumes all responsibility for being and keeping itself informed of the Borrower'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 each Loan Guarantor assumes and incurs under this Loan Guaranty, and agrees that none of the Administrative Agent, the Issuing Bank nor any Lender shall have any duty to advise any Loan Guarantor of information known to it regarding those circumstances or risks.

SECTION 10.08. Continuing Guaranty . Each Loan Guarantor will continue to be liable to the Lenders for any Guaranteed Obligations and all subsequent renewals, extensions, modifications and amendments with respect to, or substitutions for, all or any part of that Guaranteed Obligations.

SECTION 10.09. Taxes . Each payment of the Guaranteed Obligations will be made by each Loan Guarantor in compliance with the terms of this Agreement (including Sections 2.15 , 2.16 and 2.17).

SECTION 10.10. Maximum Liability .

(a) The provisions of this Loan Guaranty are severable, and in any action or proceeding involving any state corporate law, or any state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Loan Guarantor under this Loan Guaranty would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Loan Guarantor's liability under this Loan Guaranty, then, notwithstanding any other provision of this Loan Guaranty to the contrary, the amount of such liability shall, without any further action by the Loan Guarantors or the Administrative Agent, the Issuing Bank or any Lender, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Loan Guarantor's "Maximum Liability "). This Section with respect to the Maximum Liability of each Loan Guarantor is intended solely to preserve the rights of the Administrative Agent, the Issuing Bank and the Lenders to the maximum extent not subject to avoidance under applicable law, and no Loan Guarantor nor any other Person shall have any right or claim under this Section with respect to such Maximum Liability, except to the extent necessary so that the obligations of any Loan Guarantor hereunder shall not be rendered voidable under applicable law. Each Loan Guarantor agrees that the Guaranteed Obligations may at any time and from time to time exceed the Maximum Liability of each Loan Guarantor without impairing this Loan Guaranty or affecting the rights and remedies of the Administrative Agent, the Issuing Bank or the Lenders hereunder, provided that nothing in this sentence shall be construed to increase any Loan Guarantor's obligations hereunder beyond its Maximum Liability.

(b) 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 other Loan Party to honor all of its obligations under this Loan Guaranty in respect of Loan Guarantor Swap Obligation (provided , however , that each Qualified ECP Guarantor shall only be liable under this Section 10.10(b) , with respect to Loan Guarantor Swap Obligation, for the maximum amount of such liability that can be hereby incurred without rendering its Loan Guarantor Swap Obligation under this Section 10.10(b) , or otherwise under this Loan Guaranty, 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 10.10(b) shall remain in full force and effect until a discharge of Guaranteed Obligations. Each Qualified ECP Guarantor intends that this Section 10.10(b) constitute, and this Section 10.10(b) shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

SECTION 10.11. Contribution . In the event any Loan Guarantor (a “ Paying Guarantor ”) shall make any payment or payments under this Loan Guaranty or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Loan Guaranty, each other Loan Guarantor (each a “ Non-Paying Guarantor ”) shall contribute to such Paying Guarantor an amount equal to such Non-Paying Guarantor’s “Applicable Contribution Percentage” of such payment or payments made, or losses suffered, by such Paying Guarantor. For purposes of this ARTICLE X , each Non-Paying Guarantor’s “ Applicable Contribution Percentage ” with respect to any such payment or loss by a Paying Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (i) such Non-Paying Guarantor’s Maximum Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Guarantor’s Maximum Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Guarantor from the Borrower after the date hereof (whether by loan, capital infusion or by other means) to (ii) the aggregate Maximum Liability of all Loan Guarantors hereunder (including such Paying Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum Liability has not been determined for any Loan Guarantor, the aggregate amount of all monies received by such Loan Guarantors from the Borrower after the date hereof (whether by loan, capital infusion or by other means). Nothing in this provision shall affect any Loan Guarantor’s several liability for the entire amount of the Guaranteed Obligations (up to such Loan Guarantor’s Maximum Liability). Each of the Loan Guarantors covenants and agrees that its right to receive any contribution under this Loan Guaranty from a Non-Paying Guarantor shall be subordinate and junior in right of payment to the payment in full in cash of the Guaranteed Obligations. This provision is for the benefit of all of the Administrative Agent, the Issuing Bank, the Lenders and the Loan Guarantors and may be enforced by any one, or more, or all of them in accordance with the terms hereof.

SECTION 10.12. Liability Cumulative . The liability of each Loan Party as a Loan Guarantor under this ARTICLE X is in addition to and shall be cumulative with all liabilities of each Loan Party to the Administrative Agent, the Issuing Bank and the Lenders under this Agreement and the other Loan Documents to which such Loan Party is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

[*Signature Pages Follow*]

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.

PLANET FITNESS HOLDINGS, LLC,
the Borrower

By: /s/ Christopher Rondeau
Name: Christopher Rondeau
Title: Chief Executive Officer

PLANET INTERMEDIATE, LLC ,
Holdings and a Loan Guarantor

By: /s/ Pierre LeComte
Name: Pierre LeComte
Title: President

PLA-FIT HEALTH, L.L.C. ,
a Loan Guarantor

By: /s/ Christopher Rondeau
Name: Christopher Rondeau
Title: Chief Executive Officer

PLA-FIT FRANCHISE, LLC ,
a Loan Guarantor

By: /s/ Christopher Rondeau
Name: Christopher Rondeau
Title: Chief Executive Officer

PLANET FITNESS EQUIPMENT, LLC ,
a Loan Guarantor

By: /s/ Christopher Rondeau
Name: Christopher Rondeau
Title: Chief Executive Officer

PFIP, LLC ,
a Loan Guarantor

By: /s/ Christopher Rondeau
Name: Christopher Rondeau
Title: Chief Executive Officer

[*Signature Page to Amended and Restated Credit Agreement*]

JFZ, LLC,
a Loan Guarantor

By: /s/ Christopher Rondeau
Name: Christopher Rondeau
Title: Manager

PF DERRY, LLC ,
a Loan Guarantor

By: /s/ Christopher Rondeau
Name: Christopher Rondeau
Title: Manager

PIZZAZZ LLC ,
a Loan Guarantor

By: /s/ Christopher Rondeau
Name: Christopher Rondeau
Title: Manager

PIZZAZZ II LLC ,
a Loan Guarantor

By: /s/ Christopher Rondeau
Name: Christopher Rondeau
Title: Manager

PFPA, LLC ,
a Loan Guarantor

By: /s/ Christopher Rondeau
Name: Christopher Rondeau
Title: Manager

PF ERIE LLC ,
a Loan Guarantor

By: /s/ Christopher Rondeau
Name: Christopher Rondeau
Title: Manager

[*Signature Page to Amended and Restated Credit Agreement*]

PF GREENSBURG, LLC,

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

PLA-FIT WARMINSTER, LLC ,

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

PFCA, LLC ,

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

PF VALLEJO, LLC ,

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

PLA-FIT HEALTH NJNY, LLC ,

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

LONG ISLAND FITNESS GROUP, LLC ,

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

[Signature Page to Amended and Restated Credit Agreement]

BAYSHORE FITNESS GROUP, LLC,

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

MELVILLE FITNESS GROUP, LLC ,

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

CARLE PLACE FITNESS GROUP, LLC ,

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

LEVITTOWN FITNESS GROUP, LLC ,

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

**1040 SOUTH BROADWAY FITNESS GROUP,
LLC ,**

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

BAYONNE FITNESS GROUP, LLC ,

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

[*Signature Page to Amended and Restated Credit Agreement*]

EDISON FITNESS GROUP, LLC,

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

**601 WASHINGTON STREET FITNESS GROUP
LLC ,**

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

PEEKSKILL FITNESS GROUP, LLC ,

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

PLA-FIT COLORADO, LLC ,

a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

[*Signature Page to Amended and Restated Credit Agreement*]

JPMORGAN CHASE BANK, N.A.,
individually, and as Administrative Agent, Swingline
Lender and Issuing Bank

By: /s/ Peter M. Killea
Name: Peter M. Killea
Title: Credit Executive

[*Signature Page to Amended and Restated Credit Agreement*]

JPMORGAN CHASE BANK, N.A.,

as a Lender

By: /s/ Peter M. Killea

Name: Peter M. Killea

Title: Credit Executive

[*Signature Page to Amended and Restated Credit Agreement*]

TD BANK, N.A.,

as a Lender

By: /s/ David A. Canedy

Name: David A. Canedy

Title: Vice President

[*Signature Page to Amended and Restated Credit Agreement*]

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Karen D. Myers
Name: Karen D. Myers
Title: Senior Vice President

[*Signature Page to Amended and Restated Credit Agreement*]

BANK OF MONTREAL,

as a Lender

By: /s/ Phillip Langheim

Name: Phillip Langheim

Title: Managing Director

[*Signature Page to Amended and Restated Credit Agreement*]

**SECURITY BENEFIT LIFE INSURANCE
COMPANY,**
as a Lender

By: /s/ Daniel Kittredge
Name: Daniel Kittredge
Title: Vice President

[*Signature Page to Amended and Restated Credit Agreement*]

JEFFERIES FINANCE LLC,

as a Lender

By: /s/ Brian J. Buoye

Name: Brian J. Buoye

Title: Managing Director

[*Signature Page to Amended and Restated Credit Agreement*]

COMMITMENT SCHEDULE

<u>Lender</u>	<u>Revolving Commitment</u>	<u>Term Commitment</u>	<u>Total</u>
J.P. MORGAN CHASE BANK, N.A.	\$ 12,000,000	\$ 323,142,857.14	\$ 335,142,857.14
TD BANK, N.A	\$ 12,000,000	\$ 0	\$ 12,000,000
U.S. BANK NATIONAL ASSOCIATION	\$ 7,500,000	\$ 0	\$ 7,500,000
BANK OF MONTREAL	\$ 4,000,000	\$ 0	\$ 4,000,000
SECURITY BENEFIT LIFE INSURANCE COMPANY	\$ 2,250,000	\$ 0	\$ 2,250,000
JEFFERIES FINANCE LLC	\$ 2,250,000	\$ 66,857,142.86	\$ 69,107,142.86
Total	\$ 40,000,000.00	\$ 390,000,000.00	\$ 430,000,000.00

List of Schedules

Schedule 1.01	Immaterial Subsidiaries
Schedule 3.05(a)	Property: Real Property
Schedule 3.05(b)	Property: Intellectual Property
Schedule 3.06(a)	Disclosed Matters: Litigation
Schedule 3.06(b)	Disclosed Matters: Environmental Matters
Schedule 3.15	Capitalization and Subsidiaries
Schedule 5.11	Post Closing Actions
Schedule 6.01	Existing Indebtedness
Schedule 6.02	Existing Liens
Schedule 6.04	Existing Investments
Schedule 6.05(p)	Dispositions
Schedule 6.09	Affiliate Transactions
Schedule 6.10	Existing Restrictions

SCHEDULE 1.01

Immaterial Subsidiaries

Subsidiary

Blast Fitness LLC
T.R. World Gym, LLC
PF Coventry, LLC
Planet Fitness Mexico, LLC
Planet Fitness Canada, LLC
Planet Fitness NAF, LLC

SCHEDULE 3.05(a)

Property, Trademarks, Etc.

(a) REAL PROPERTY

Owned Real Property

None.

Leased Real Property

<u>Lessee</u>	<u>Leased Location</u>
Planet Fitness Holdings, LLC	26 Fox Run Road, Newington, NH 03801
Pla-Fit Health, L.L.C.	96 Daniel Webster Highway, Belmont, NH 03220
Pla-Fit Health, L.L.C.	89 Fort Eddy Road, Concord, NH 03301
Pla-Fit Health, L.L.C.	306 N. Main Street, Rochester, NH 03867
Pla-Fit Health, L.L.C.	898 Central Avenue, Dover, NH 03820
Pla-Fit Health, L.L.C.	18 Northwest Boulevard, Nashua, NH 03063
Pla-Fit Health, L.L.C.	20 Portsmouth Avenue, Stratham, NH 03885
Pla-Fit Health, L.L.C.	54 Calef Road, Lee, NH 03861
Pla-Fit Health, L.L.C.	150 Coliseum Avenue, Nashua, NH 03063
Pla-Fit Health, L.L.C.	553 South Mast Road, Ste. B-113, Goffstown, NH 03045
JFZ, LLC	20 Arch Meadow Drive, Danvers, MA 01923
JFZ, LLC	736 Huse Road, Manchester, NH 03103
JFZ, LLC	99 Eddy Road, Manchester, NH 03102
JFZ, LLC	15-17 Freetown Road, Raymond, NH 03077
PF Derry, LLC	Hood Commons, 55 Crystal Ave., #17, Derry, NH 03038
PFPA, LLC	2130 White Street, York, PA 17331
PFPA, LLC	1600-1624 Nay Aug Avenue, Scranton, PA 18509
PFPA, LLC	1540 Main Street, Peckville, PA 18452
PFPA, LLC	150 E. Pennsylvania Ave., Downingtown, PA 19335
PFPA, LLC	1400 North Charlotte Street, Pottstown, PA 19464
PFPA, LLC	Gateway Shopping Center, Unit #21B, Edwardsville, PA 18704
PFPA, LLC	1850 South Township Blvd., Pittston, PA 18640

<u>Lessee</u>	<u>Leased Location</u>
PFPA, LLC	1302 Hanover Avenue, Bldg. #E, Allentown, PA 18109
PFPA, LLC	3505 Mountain View Drive, West Mifflin, PA 15122
PFPA, LLC	1248 Greenspring Drive, York, PA 17402
PFPA, LLC	781 Baltimore St., Hanover, PA 17331
PFPA, LLC	900 S. Justison Street, Wilmington, DE 19801
PFPA, LLC	1635 S. Braddock Avenue, Pittsburgh, PA 15218
PF Erie LLC	1950 Rotunda Drive, Erie, PA 16509
PF Greensburg, LLC	5280 Route 30, Ste. 01A, Greensburg, PA 15601
Pla-Fit Warminster, LLC	860 West Street Road, Warminster, PA 18974
Long Island Fitness Group, LLC	81 Middle County Road, Centreach, NY 11720
Bayshore Fitness Group, LLC	894A Sunrise Highway, Bayshore, NY 11706
Melville Fitness Group, LLC	25 Ruland Road, Melville, NY 11747
Carle Place Fitness Group, LLC	200 Glen Cove Road, Carle Place, NY 11514
Levittown Fitness Group, LLC	3025-3031 Hempstead Turnpike, Levittown, NY 11756
1040 South Broadway Fitness Group, LLC	1040 South Broadway, Hicksville, NY 11801
Bayonne Fitness Group, LLC	175 Avenue A, Bayonne, NJ
Edison Fitness Group, LLC	561 U.S. Route 1, South Edison, NJ 08817
601 Washington Street Fitness Group LLC	601 Washington Street, Hoboken, NJ 07030
Peekskill Fitness Group, LLC	1839 E. Main Street, Peekskill, NY 10566
PF Vallejo, LLC	3505 #40 Sonoma Blvd., Vallejo, CA 94590
PFCA, LLC	4925 MacDonald Ave., Richmond, CA 94805
Pla-Fit Health, L.L.C.	29 Trader's Way, Salem, MA 01970
Pla-Fit Health, L.L.C.	775 Lafayette Road, Portsmouth, NH 03801
Pla-Fit Colorado, LLC	9120 Wadsworth Parkway, Westminster, CO 80021
Pla-Fit Health, L.L.C.	534 Patchogue Road, Port Jefferson Station, NY 11776
Pla-Fit Health, L.L.C.	50 Great Neck Road, Great Neck, NY 11021

(b) INTELLECTUAL PROPERTY

Registered and Pending Trademarks

All registered and pending trademarks are held by PFIP, LLC

[Please see attached table]

Registered Copyrights

[Please see attached table]

Registered and Pending Trademarks

All registered and pending trademarks are held by PFIP, LLC.

<u>TITLE</u>	<u>COUNTRY</u>	<u>STATUS</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>CLASS</u>
	CA	Pending	1642909	Sep 10, 2013			41
	US	Registered	77572104	Sep 17, 2008	3665999	Aug 11, 2009	41
AND WE'RE ROLLING OUT THE PURPLE CARPET!	US	Registered	85471426	Nov 14, 2011	4326666	Apr 30, 2013	41
BAGEL MORNING	CA	Pending	1642904	Sep 10, 2013			41
BAGEL MORNING	US	Registered	77460345	Apr 29, 2008	3758325	Mar 9, 2010	41
BELIEVE IT!	US	Registered	85122696	Sep 3, 2010	3954834	May 3, 2011	41
BELIEVE THE HYPE!	US	Registered	85122715	Sep 3, 2010	3954836	May 3, 2011	41
BLACK	US	Registered	78943168	Aug 2, 2006	3389028	Feb 26, 2008	41
BLACK CARD CUTS	US	Pending	85047925	May 26, 2010			44
	US	Pending	85188251	Dec 1, 2010	4089813	Jan 24, 2012	41
	US	Registered	85188251	Dec 1, 2010	4089813	Jan 24, 2012	41
BLAST FITNESS	US	Registered	85356585	Jun 27, 2011	4102005	Feb 21, 2012	41
BLAST FITNESS	California	Registered		Feb 15, 2012	67910	May 3, 2012	41
BLAST FITNESS 30 MINUTE WORKOUT	US	Registered	85585060	Mar 30, 2012	4202535	Sep 4, 2012	41
	US	Registered	85587974	Apr 3, 2012	4202543	Sep 4, 2012	41
	US	Registered	85352996	Jun 22, 2011	4151635	May 29, 2012	41
	California	Registered		Feb 15, 2012	67909	May 3, 2012	41



BOGO

BURN CALORIES,
NOT CASH

BURN CALORIES,
NOT CASH

BURN CALORIES,
NOT CASH



US	Registered	77836345	Sep 28, 2009	4003044	Jul 26, 2011	25
US	Registered	77836367	Sep 28, 2009	3789929	May 18, 2010	25, 41
US	Registered	77835204	Sep 25, 2009	3816997	Jul 13, 2010	41
US	Registered	77644592	Jan 7, 2009	3880568	Nov 23, 2010	41
CA	Pending	1629752	Jun 5, 2013			41
MX	Registered	83119	May 31, 2013	773831	Sep 13, 2013	41
US	Pending	85514906	Jan 12, 2012			41
US	Registered	85132202	Sep 17, 2010	4001464	Jul 26, 2011	25
CA	Pending	1642912	Sep 10, 2013			41
US	Registered	77545932	Aug 13, 2008	3756275	Mar 2, 2010	41
US	Registered	85230661	Jan 31, 2011	4031286	Sep 27, 2011	41

	US	Registered	85150661	Oct 12, 2010	3977164	Jun 14, 2011	41
COMFORT ZONE	US	Registered	77460300	Apr 29, 2008	3842053	Aug 31, 2010	41
CRAZY, NUTS, YOU BETCHA!	US	Registered	85122593	Sep 3, 2010	3954827	May 3, 2011	41
	US	Registered	77890567	Dec 10, 2009	3837181	Aug 24, 2010	41
FITNESS PLANET	CA	Pending	TBD	Mar 18, 2014			
FITNESS PLANET	US	Allowed	85566485	Mar 12, 2012			41
FREE FITNESS TRAINING ABS, CARDIO, UPPER & LOWER BODY. WE'VE GOT YOU COVERED.	US	Registered	85263586	Mar 10, 2011	4031709	Sep 27, 2011	25
	US	Registered	85234222	Feb 4, 2011	4031323	Sep 27, 2011	41
	US	Registered	85146276	Oct 6, 2010	4058640	Nov 22, 2011	41
	AR	Pending	3176360	Jul 6, 2012			41
	AU	Registered	1500664	Jul 6, 2012	1500664	Jan 14, 2013	25, 41
	BR	Pending	840193173	Jul 13, 2012			41
	CA	Pending	TBD	Mar 18, 2014			41
	DO	Pending	E201217039	Jul 10, 2012			41
	EM	Registered	011019973	Jul 6, 2012	011019973	Nov 15, 2012	25, 41
	ID	Pending	J002012035406	Jul 20, 2012			41
	IL	Registered	247773	Jul 8, 2012	247773	Nov 5, 2013	41
	IN	Pending	2365809	Jul 18, 2012			25, 41
	JP	Registered	2012055432	Jul 9, 2012	5569686	Mar 29, 2013	41, 43, 45

	MX	Registered	1293507	Jul 20, 2012	1330662	Nov 26, 2012	41
	PA	Registered	214873	Jul 26, 2012	214873	Feb 20, 2013	41
	PH	Registered	42012501729	Jul 6, 2012	420125017 29	Nov 1, 2012	41
GOT MASSAGE?	US	Registered	77460264	Apr 29, 2008	3825659	Jul 27, 2010	41
GOT PLANET?	US	Registered	77735684	May 13, 2009	4035419	Oct 4, 2011	25, 41
GOT TANNING?	US	Registered	77460267	Apr 29, 2008	3842052	Aug 31, 2010	41
GYMTIMIDATION	AU	Registered	A0033668	Jan 22, 2013	1152764(1 548771)	Jan 22, 2013	41
GYMTIMIDATION	CA	Registered	1611056	Jan 23, 2013	TMA8706 44	Feb 4, 2014	41
GYMTIMIDATION	IB	Registered	A0033668	Jan 22, 2013	1152764	Jan 22, 2013	41
GYMTIMIDATION	MX	Registered	A0033668	May 21, 2013	1152764	Jan 22, 2013	41
GYMTIMIDATION	US	Registered	85812993	Dec 31, 2012	4358140	Jun 25, 2013	41
	CA	Pending	1640876	Aug 26, 2013			16, 21 25, 41
	US	Registered	86028516	Aug 5, 2013	4488602	Feb 25, 2014	16, 21, 25, 41
	UT		N/A		2517215	Apr 2, 1990	
	US		78708810	Sep 8, 2005	3303904	Oct 2, 2007	
I LIFT THINGS UP AND PUT THEM DOWN	CA	Pending	1629732	Jun 5, 2013			41
I LIFT THINGS UP AND PUT THEM DOWN	CA	Pending	1642906	Sep 10, 2013			25
I LIFT THINGS UP AND PUT THEM DOWN	MX	Registered	83117	May 31, 2013	77379	Sep 13, 2013	41
I LIFT THINGS UP AND PUT THEM DOWN	US	Registered	85215156	Jan 11, 2011	4048177	Nov 1, 2011	25
I LIFT THINGS UP AND PUT THEM DOWN	US	Registered	85215167	Jan 11, 2011	4015427	Aug 23, 2011	41
I LIFT THINGS UP AND PUT THEM DOWN	US	Registered	85241726	Feb 14, 2011	4031462	Sep 27, 2011	16
IT'S GYM CLASS WITHOUT THE ANNOYING GUY WITH THE WHISTLE.	CA	Pending	1641377	Aug 28, 2013			25, 41
IT'S GYM CLASS WITHOUT THE ANNOYING GUY WITH THE WHISTLE.	US	Registered	85263616	Mar 10, 2011	4041450	Oct 18, 2011	25



IT'S WORKING OUT
IN YOUR FAVOR.

JFZ GYMS



JUDGEMENT FREE

JUDGEMENT FREE
ZONE

JUDGEMENT FREE
ZONE

JUDGEMENT FREE
ZONE

JUDGEMENT FREE
ZONE

JUDGEMENT FREE
ZONE

JUDGEMENT FREE
ZONE

JUDGEMENT FREE
ZONE

JUDGEMENT FREE
ZONE

JUDGEMENT FREE
ZONE

JUDGEMENT FREE
ZONE

JUDGEMENT FREE
ZONE

JUDGEMENT FREE
ZONE

JUDGEMENT FREE
ZONE

JUDGEMENT FREE
ZONE

US	Registered	85234430	Feb 4, 2011	4031327	Sep 27, 2011	41
US	Registered	85234302	Feb 4, 2011	4031324	Sep 27, 2011	41
US	Registered	85469366	Nov 10, 2011	4273237	Jan 8, 2013	41
US	Registered	78708076	Sep 7, 2005	3437826	May 27, 2008	41
CA	Registered	1435236	Apr 21, 2009	TMA8077 06	Sep 27, 2011	41
US	Registered	85132198	Sep 17, 2010	4020552	Aug 30, 2011	25
AR	Pending	3173940	Jun 26, 2012			25
AR	Pending	3173941	Jun 26, 2012			41
AU	Pending	A0032300	Oct 16, 2012			41
BR	Pending	904858391	May 31, 2012			25
BR	Pending	840147783	Jun 1, 2012			41
CA	Pending	1601589	Nov 8, 2012			41
CN	Registered	11028146	Jun 6, 2012	11028146	Nov 14, 2013	25
CN	Registered	11028145	Jun 6, 2012	11028145	Nov 14, 2013	41
DO	Registered	E20129914	Apr 24, 2012	196474	Jul 17, 2012	25
DO	Registered	E20129915	Apr 24, 2012	196257	Jul 17, 2012	41
IB	Registered	A0032300	Oct 16, 2012	1135632	Oct 16, 2012	41
ID	Pending	D00201203083 3	Jun 26, 2012			25
ID	Pending	J002012030836	Jun 26, 2012			41
IL	Registered	246243	May 3, 2012	246243	Nov 5, 2013	41

JUDGEMENT FREE ZONE	JP	Registered	2012042191	May 28, 2012	5564634	Mar 8, 2013	25, 41, 43
JUDGEMENT FREE ZONE	MX	Registered	1173052	Apr 20, 2011	1239460	Sep 23, 2011	41
JUDGEMENT FREE ZONE	MX	Registered	1265958	Apr 13, 2012	1309632	Sep 6, 2012	25
JUDGEMENT FREE ZONE	MY	Registered	2012009087	May 31, 2012	2012009087	Apr 17, 2013	25
JUDGEMENT FREE ZONE	MY	Registered	2012009088	May 31, 2012	2012009088	Apr 18, 2013	41
JUDGEMENT FREE ZONE	PA	Registered	214878	Jul 26, 2012	214878	Feb 20, 2013	25
JUDGEMENT FREE ZONE	PA	Registered	214879	Jul 26, 2012	214879	Feb 20, 2013	41
JUDGEMENT FREE ZONE	PH	Registered	42012500911	Apr 13, 2012	42012500911	Feb 9, 2013	25, 28, 41
JUDGEMENT FREE ZONE	US	Registered	85752647	Oct 12, 2012	4353472	Jun 18, 2013	41
JUDGMENT FREE	US	Registered	77922541	Jan 28, 2010	4202731	Sep 4, 2012	41
JUDGMENT FREE	US	Registered	85132191	Sep 17, 2010	3979649	Jun 14, 2011	25
JUDGMENT FREE ZONE	AR	Pending	3173942	Jun 26, 2012			25
JUDGMENT FREE ZONE	AR	Pending	3173929	Jun 26, 2012			41
JUDGMENT FREE ZONE	AU	Pending	A0029638	May 2, 2012			41
JUDGMENT FREE ZONE	BR	Pending	904858154	May 31, 2012			25
JUDGMENT FREE ZONE	BR	Pending	840147708	Jun 1, 2012			41
JUDGMENT FREE ZONE	CA	Allowed	1435235	Apr 21, 2009			41
JUDGMENT FREE ZONE	CN	Registered	A0029638	May 2, 2012	1121015	Jul 8, 2013	41
JUDGMENT FREE ZONE	DO	Registered	E20129916	Apr 24, 2012	196473	Jul 17, 2012	25
JUDGMENT FREE ZONE	DO	Registered	E20129917	Apr 24, 2012	196255	Jul 17, 2012	41
JUDGMENT FREE ZONE	IB	Registered	A0029638	May 2, 2012	1121015	May 2, 2012	41
JUDGMENT FREE ZONE	ID	Pending	D002012030844	Jun 26, 2012			25
JUDGMENT FREE ZONE	ID	Pending	J002012030849	Jun 26, 2012			41
JUDGMENT FREE ZONE	IL	Registered	A0029638	May 2, 2012	1121015	May 2, 2012	41
JUDGMENT FREE ZONE	JP	Registered	A0029638	May 2, 2012	1121015	May 2, 2012	41

JUDGMENT FREE ZONE	MX	Registered	1173055	Apr 20, 2011	1273338	Mar 13, 2012	41	
				6				Trademark Schedule

JUDGMENT FREE ZONE	MX	Registered	1265951	Apr 13, 2012	1309628	Sep 6, 2012	25
JUDGMENT FREE ZONE	MY	Registered	2012009091	May 31, 2012	2012009091	Apr 17, 2013	25
JUDGMENT FREE ZONE	MY	Registered	2012009092	May 31, 2012	2012009092	Apr 18, 2013	41
JUDGMENT FREE ZONE	PA	Registered	214871	Jul 26, 2012	214871	Feb 20, 2013	25
JUDGMENT FREE ZONE	PA	Registered	214872	Jul 26, 2012	214872	Feb 20, 2013	41
JUDGMENT FREE ZONE	PH	Registered	42012500908	Apr 13, 2012	42012500908	Oct 18, 2012	25, 28, 41
JUDGMENT FREE ZONE	US	Registered	75816444	Oct 6, 1999	2377662	Aug 15, 2000	41
LEAVE EGOS HERE	CA	Pending	1642913	Sep 10, 2013			41
LEAVE EGOS HERE	US	Registered	77460371	Apr 29, 2008	3584435	Mar 3, 2009	41
	US	Registered	77515776	Jul 7, 2008	3546875	Dec 16, 2008	41
LUNK	US	Registered	77297406	Oct 5, 2007	4006436	Aug 2, 2011	25
LUNK ALARM	AR	Pending	3173932	Jun 26, 2012			25
LUNK ALARM	AR	Pending	3173933	Jun 26, 2012			41
LUNK ALARM	AU	Registered	A0029635	May 2, 2012	1120880	May 2, 2012	41
LUNK ALARM	BR	Pending	904858561	May 31, 2012			25
LUNK ALARM	BR	Pending	840147724	Jun 1, 2012			41
LUNK ALARM	CA	Registered	1435234	Apr 21, 2009	TMA768969	Jun 8, 2010	41
LUNK ALARM	CN	Pending	A0029635	May 2, 2012			41
LUNK ALARM	DO	Registered	E20129908	Apr 24, 2012	196452	Jul 17, 2012	25
LUNK ALARM	DO	Registered	E20129909	Apr 24, 2012	196253	Jul 17, 2012	41
LUNK ALARM	IB	Registered	A0029635	May 2, 2012	1120880	May 2, 2012	41
LUNK ALARM	ID	Pending	D002012030830	Jun 26, 2012			25
LUNK ALARM	ID	Pending	J002012030831	Jun 26, 2012			41
LUNK ALARM	IL	Registered	A0029635	May 2, 2012	1120880	May 2, 2012	41
LUNK ALARM	JP	Accepted	A0029635	May 2, 2012	1120880	May 2, 2012	41
LUNK ALARM	MX	Registered	1173054	Apr 20, 2011	1239462	Sep 23, 2011	41

LUNK ALARM	MX	Registered	1265960	Apr 13, 2012	1309633	Sep 6, 2012	25
LUNK ALARM	MY	Registered	2012009097	May 31, 2012	2012009097	Apr 17, 2013	25
LUNK ALARM	MY	Registered	2012009098	May 31, 2012	2012009098	Apr 18, 2013	41
LUNK ALARM	PA	Registered	214866	Jul 26, 2012	214866	Feb 20, 2013	25
LUNK ALARM	PA	Registered	214867	Jul 26, 2012	214867	Feb 20, 2013	41
LUNK ALARM	PH	Registered	42012500910	Apr 13, 2012	42012500910	Feb 9, 2013	25, 28, 41
	CA	Pending	1642899	Sep 10, 2013			41
	US	Registered	77818546	Sep 2, 2009	3840195	Aug 31, 2010	41
LUNKHEAD	US	Registered	77875358	Nov 18, 2009	3986503	Jun 28, 2011	25
LUNKHEADS	US	Registered	77875360	Nov 18, 2009	3990764	Jul 5, 2011	25
LUNKINATOR	US	Registered	85201776	Dec 20, 2010	3997453	Jul 19, 2011	41
LUNKS	US	Registered	77875353	Nov 18, 2009	3990763	Jul 5, 2011	25
NADIE TE JUZGA	US	Registered	85433747	Sep 28, 2011	4315573	Apr 9, 2013	41
NEW LOCATION! SAME PLANET!	US	Registered	85485798	Dec 2, 2011	4273264	Jan 8, 2013	41
NEW NAME-NEW ATMOSPHERE-NO ATTITUDE	US	Registered	85122788	Sep 3, 2010	3954847	May 3, 2011	41
NO COMMITMENT!	US	Registered	85122720	Sep 3, 2010	3954837	May 3, 2011	41
NO COMMITMENT! NO CATCHES! NO KIDDING!	CA	Pending	1629757	Jun 5, 2013			41
NO COMMITMENT! NO CATCHES! NO KIDDING!	MX	Registered	83120	May 31, 2013	77382	Sep 13, 2013	41
NO COMMITMENT! NO CATCHES! NO KIDDING!	US	Registered	85345907	Jun 14, 2011	4104919	Feb 28, 2012	41
NO COMMITMENT! NO KIDDING!	US	Registered	85122736	Sep 3, 2010	3954840	May 3, 2011	41
NO CRITICOS	MX	Registered	83619	Jun 27, 2013	78801	Dec 3, 2013	41
NO CRITICS	AR	Pending	3173930	Jun 26, 2012			25
NO CRITICS	AR	Pending	3173931	Jun 26, 2012			41
NO CRITICS	AU	Registered	A0029636	Oct 11, 2012	1120879	May 2, 2012	41

NO CRITICS	BR	Pending	904858464	May 31, 2012			25
NO CRITICS	BR	Pending	840147732	Jun 1, 2012			41
NO CRITICS	CA	Registered	1435232	Apr 21, 2009	TMA807671	Sep 27, 2011	41
NO CRITICS	CN	Registered	A0029636	May 2, 2012	1120879	Jul 8, 2013	41
NO CRITICS	DO	Registered	E20129912	Apr 24, 2012	196446	Jul 17, 2012	25
NO CRITICS	DO	Registered	E20129913	Apr 24, 2012	196251	Jul 17, 2012	41
NO CRITICS	IB	Registered	A0029636	May 2, 2012	1120879	May 2, 2012	41
NO CRITICS	ID	Pending	D002012030840	Jun 26, 2012			25
NO CRITICS	ID	Pending	J002012030838	Jun 26, 2012			41
NO CRITICS	IL	Registered	A0029636	May 2, 2012	1120879	May 2, 2012	41
NO CRITICS	JP	Registered	A0029636	May 2, 2012	1120879	May 2, 2012	41
NO CRITICS	MX	Registered	1173047	Apr 20, 2011	1243934	Oct 14, 2011	41
NO CRITICS	MX	Registered	1265959	Apr 13, 2012	1367092	May 13, 2013	25
NO CRITICS	MY	Registered	2012009095	May 31, 2012	201200909 5	May 22, 2013	25
NO CRITICS	MY	Pending	2012009096	May 31, 2012			41
NO CRITICS	PA	Registered	214869	Jul 26, 2012	214869	Feb 20, 2013	25
NO CRITICS	PA	Registered	214868	Jul 26, 2012	214868	Feb 20, 2013	41
NO CRITICS	PH	Registered	42012500909	Apr 13, 2012	42012500909	Feb 9, 2013	25, 28, 41
NO CRITICS	US	Registered	76254435	May 9, 2001	2654980	Nov 26, 2002	41
	US	Registered	77552777	Aug 21, 2008	3665949	Aug 11, 2009	41
NO DUMBELLS ALLOWED	US	Registered	77515726	Jul 7, 2008	3550196	Dec 23, 2008	41
NO EGOS	CA	Pending	1629761	Jun 5, 2013			41
NO EGOS	MX	Registered	83121	May 31, 2013	77383	Sep 13, 2013	41

NO EGOS	US	Registered	77460381	Apr 29, 2008	3828818	Aug 3, 2010	41
NO EGOS	US	Registered	77875348	Nov 18, 2009	4238048	Nov 6, 2012	25
NO EMBARRASSMENT	US	Registered	77467947	May 7, 2008	3842076	Aug 31, 2010	41
NO GIMMICKS	US	Registered	85179822	Nov 18, 2010	4254468	Dec 4, 2012	41
NO GRUNT ZONE	US	Registered	77460334	Apr 29, 2008	3842056	Aug 31, 2010	41
NO GYMTIMIDATION	AU	Registered	A0033674	Jan 22, 2013	1152251(1 547564)	Jan 22, 2013	41
NO GYMTIMIDATION	CA	Registered	1611076	Jan 23, 2013	TMA87064 5	Feb 4, 2014	41
NO GYMTIMIDATION	IB	Registered	A0033674	Jan 22, 2013	1152251	Jan 22, 2013	41
NO GYMTIMIDATION	MX	Registered	A0033674	May 21, 2013	1152251	Jan 22, 2013	41
NO GYMTIMIDATION	US	Registered	85813018	Dec 31, 2012	4358141	Jun 25, 2013	41
NO GYMTIMIDATION.	US	Registered	85973048	Jun 28, 2013	4484572	Feb 18, 2014	25
NO HASSELS. NO LUNKS. ALWAYS 10 BUCKS.	US	Registered	85664089	Jun 28, 2012	4306822	Mar 19, 2013	41
NO HASSLES. NO BRAINER.	US	Registered	85766800	Oct 30, 2012	4350275	Jun 11, 2013	41
NO INTIMIDATION	CA	Pending	1642911	Sep 10, 2013			41
NO INTIMIDATION	US	Registered	77471532	May 12, 2008	3835636	Aug 17, 2010	41
NO INTIMIDATION WHATSOEVER!	US	Registered	77460430	Apr 29, 2008	3835625	Aug 17, 2010	41
NO INTIMIDATION ZONE	US	Registered	77460420	Apr 29, 2008	3835624	Aug 17, 2010	41
NO JUDGEMENTS	AR	Pending	3173938	Jun 26, 2012			25
NO JUDGEMENTS	AR	Pending	3173939	Jun 26, 2012			41
NO JUDGEMENTS	BR	Pending	904858359	May 31, 2012			25
NO JUDGEMENTS	BR	Pending	840147791	Jun 1, 2012			41
NO JUDGEMENTS	CN	Registered	11028148	Jun 6, 2012	11028148	Oct 14, 2013	25
NO JUDGEMENTS	CN	Registered	11028147	Jun 6, 2012	11028147	Oct 14, 2013	41
NO JUDGEMENTS	DO	Registered	E201215060	Jun 20, 2012	197912	Sep 17, 2012	25, 41
NO JUDGEMENTS	ID	Pending	D002012030827	Jun 26, 2012			25
NO JUDGEMENTS	ID	Pending	J002012030829	Jun 26, 2012			41
NO JUDGEMENTS	IL	Registered	246244	May 3, 2012	246244	Feb 4, 2014	41

NO JUDGEMENTS	JP	Registered	2012042190	May 28, 2012	5564633	Mar 8, 2013	25, 41, 43
NO JUDGEMENTS	MX	Registered	1271199	May 3, 2012	1313103	Sep 24, 2012	25
NO JUDGEMENTS	MX	Registered	1271200	May 3, 2012	1313104	Sep 24, 2012	41
NO JUDGEMENTS	MY	Registered	2012009085	May 31, 2012	2012009085	Apr 17, 2013	25
NO JUDGEMENTS	MY	Registered	2012009086	May 31, 2012	2012009086	Apr 18, 2013	41
NO JUDGEMENTS	PA	Registered	214880	Jul 26, 2012	214880	Feb 20, 2013	25
NO JUDGEMENTS	PA	Registered	214881	Jul 26, 2012	214881	Feb 20, 2013	41
NO JUDGEMENTS	PH	Registered	42012501097	May 3, 2012	42012501097	Nov 1, 2012	25, 28, 41
NO JUDGMENTS	AR	Pending	3173936	Jun 26, 2012			25
NO JUDGMENTS	AR	Pending	3173937	Jun 26, 2012			41
NO JUDGMENTS	BR	Pending	904858340	May 31, 2012			25
NO JUDGMENTS	BR	Pending	840147805	Jun 1, 2012			41
NO JUDGMENTS	CN	Registered	11028150	Jun 6, 2012	11028150	Oct 14, 2013	25
NO JUDGMENTS	CN	Registered	E20129906	Apr 24, 2012	196444	Jul 17, 2012	25
NO JUDGMENTS	DO	Registered	E20129907	Apr 24, 2012	196249	Jul 17, 2012	41
NO JUDGMENTS	DO	Registered	D002012030854	Jun 26, 2012			25
NO JUDGMENTS	ID	Pending	J002012030855	Jun 26, 2012			41
NO JUDGMENTS	ID	Pending	246247	May 3, 2012	246247	Feb 4, 2014	41
NO JUDGMENTS	IL	Registered	2012042189	May 28, 2012	5564632	Mar 8, 2013	25, 41, 43
NO JUDGMENTS	JP	Registered	1173049	Apr 20, 2011	1239459	Sep 23, 2011	41
NO JUDGMENTS	MX	Registered	1265961	Apr 13, 2012	1309634	Sep 6, 2012	25
NO JUDGMENTS	MX	Registered	2012009079	May 31, 2012	2012009079	May 22, 2013	25
NO JUDGMENTS	MY	Registered	2012009084	May 31, 2012	2012009084	Apr 18, 2013	41
NO JUDGMENTS	MY	Registered	E20129906	Apr 24, 2012	196444	Jul 17, 2012	25
NO JUDGMENTS	PA	Registered	214862	Jul 26, 2012	214862	Feb 20, 2013	25
NO JUDGMENTS	PA	Registered	214863	Jul 26, 2012	214863	Feb 20, 2013	41

NO JUDGMENTS	PH	Registered	42012500912	Apr 13, 2012	42012500912	Feb 9, 2013	25, 28, 41
NO LUNKHEADS	US	Registered	77981936	Nov 18, 2009	3990920	Jul 5, 2011	25
NO LUNKS	CA	Pending	1641379	Aug 28, 2013			25, 41
NO LUNKS	US	Registered	77981935	Nov 18, 2009	3990919	Jul 5, 2011	25
NO LUNKS @ PLANET FITNESS	US	Registered	85041596	May 18, 2010	4013467	Aug 16, 2011	25
NO SALESMEN. NO CONTRACT. NO KIDDING!	US	Registered	85347162	Jun 15, 2011	4104938	Feb 28, 2012	41
NO SALESMEN. NO PRESSURE	US	Registered	85637477	May 29, 2012	4279066	Jan 22, 2013	41
NO SALESMEN-NO COMMITMENT-NO KIDDING	US	Registered	85122811	Sep 3, 2010	3954850	May 3, 2011	41
NO SOMOS UN GIMNASIO, SOMOS PLANET FITNESS.	MX	Registered	83616	Jun 27, 2013	78101	Oct 28, 2013	41
NO STRINGS, NO OBLIGATIONS, WE PROMISE	US	Registered	85122836	Sep 3, 2010	4047858	Nov 1, 2011	41
NON INTIMIDATING	US	Registered	77460407	Apr 29, 2008	3838385	Aug 24, 2010	41
NOT HIS PLANET YOURS	US	Registered	85146164	Oct 6, 2010	4025158	Sep 13, 2011	41
ONE GYM HAS EVOLVED BEYOND GRUNTING	US	Registered	85019055	Apr 21, 2010	4007164	Aug 2, 2011	41
ONLY A DUMBELL WOULD PAY MORE	US	Registered	85019562	Apr 21, 2010	3889665	Dec 14, 2010	41
P.E. AT P.F.	US	Registered	77647344	Jan 12, 2009	3711362	Nov 17, 2009	41
PE@PF	CA	Pending	1645171	Sep 25, 2013			25, 41
PE@PF	US	Registered	85263562	Mar 10, 2011	4041448	Oct 18, 2011	25
	US	Registered	85230656	Jan 31, 2011	4044253	Oct 25, 2011	41
PERTENECES AQUI	MX	Registered	83618	Jun 27, 2013	78800	Dec 3, 2013	41
PF	US	Registered	77460294	Apr 29, 2008	3614927	May 5, 2009	41
PF 12 MINUTE ABS	CA	Pending	1640870	Aug 26, 2013			41



PF BLACK CARD

PF BLACK CARD

PF BLACK CARD

PF EXPRESS

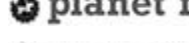
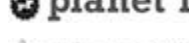
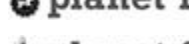
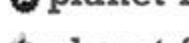
PF EXPRESS

PF EXPRESS 30 MINUTE
WORKOUTPF EXPRESS 30 MINUTE
WORKOUT

PF GROOVE



US	Registered	85366691	Jul 8, 2011	4339293	May 21, 2013	25
CA	Pending	1629734	Jun 5, 2013			41
MX	Registered	1378993	May 31, 2013	1400645	Sep 27, 2013	41
US	Registered	77377062	Jan 22, 2008	3569191	Feb 3, 2009	41
CA	Pending	1642905	Sep 10, 2013			41
US	Registered	77460324	Apr 29, 2008	3793766	May 25, 2010	41
CA	Pending	1642907	Sep 10, 2013			41
US	Registered	77515847	Jul 7, 2008	3611493	Apr 28, 2009	41
US	Registered	77572287	Sep 17, 2008	3622302	May 19, 2009	41
US	Registered	85469683	Nov 10, 2011	4248919	Nov 27, 2012	41
US	Registered	77515745	Jul 7, 2008	3717444	Dec 1, 2009	41
CA	Registered	1435242	Apr 21, 2009	TMA78337 4	Nov 25, 2010	41
US	Registered	75555765	Sep 21, 1998	2370028	Jul 25, 2000	41
CA	Pending	1640877	Aug 26, 2013			18, 21, 25
US	Pending	86028802	Aug 5, 2013			18, 21, 25
CA	Registered	1435229	Apr 21, 2009	TMA76956 2	Jun 14, 2010	25, 41
AU	Pending	A0029631	May 2, 2012			25, 41

 planet fitness	CA	Registered	1435228	Apr 21, 2009	TMA769025	Jun 8, 2010	25, 41
 planet fitness	DO	Registered	E20129904	Apr 24, 2012	196051	Jul 2, 2012	25
 planet fitness	DO	Registered	E20129905	Apr 24, 2012	196089	Jul 2, 2012	41
 planet fitness	IB	Registered	A0029631	May 2, 2012	1121736	May 2, 2012	25, 41
 planet fitness	ID	Pending	D002012030850	Jun 26, 2012			25
 planet fitness	ID	Pending	J002012030851	Jun 26, 2012			41
 planet fitness	IL	Registered	A0029631	May 2, 2012	1121736	May 2, 2012	25, 41
 planet fitness	JP	Registered	A0029631	May 2, 2012	1121736	May 2, 2012	25, 41
 planet fitness	MX	Registered	1265953	Apr 13, 2012	1309629	Sep 6, 2012	25
 planet fitness	MY	Pending	2012009077	May 31, 2012			25
 planet fitness	PA	Registered	214875	Jul 26, 2012	214875	Feb 20, 2013	25
 planet fitness	PA	Registered	214874	Jul 26, 2012	214874	Feb 20, 2013	41
 planet fitness	PH	Registered	42012500913	Apr 13, 2012	42012500913	Feb 9, 2013	25, 28, 41
 planet fitness	US	Registered	77331824	Nov 16, 2007	3566626	Jan 27, 2009	25, 41
 planet fitness	US	Registered	77331789	Nov 16, 2007	3566625	Jan 27, 2009	25, 41
PF STORE	CA	Pending	1629754	Jun 5, 2013			35
PF STORE	MX	Registered	1378994	May 31, 2013	1394098	Aug 29, 2013	35
PF STORE	US	Registered	85565315	Mar 9, 2012	4198583	Aug 28, 2012	35
PF TV	CA	Pending	1629728	Jun 5, 2013			41
PF TV	MX	Registered	1378991	May 31, 2013	1403707	Oct 15, 2013	41
PF VISIONAR Y	US	Allowed	85299624	Apr 20, 2011			42
	CA	Registered	1435241	Apr 21, 2009	TMA769110	Jun 8, 2010	25, 41



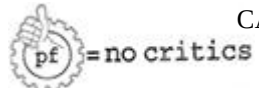
MX	Pending	1375877	May 22, 2013	41



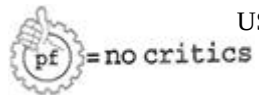
US	Registered	77331757	Nov 16, 2007	3566624	Jan 27, 2009	25, 41



US	Registered	77457337	Apr 24, 2008	3614919	May 5, 2009	41



CA	Pending	1642914	Sep 10, 2013	41



US	Registered	77541406	Aug 7, 2008	3550212	Dec 23, 2008	41

PIZZA NIGHT	CA	Pending	1642908	Sep 10, 2013	41

PIZZA NIGHT	US	Registered	77460361	Apr 29, 2008	3758327	Mar 9, 2010	41

PLANET	US	Registered	77516569	Jul 8, 2008	4102680	Feb 21, 2012	41

PLANET FITNESS	AU	Pending	A0020917	Aug 17, 2010	25, 41

PLANET FITNESS	BR	Pending	840304218	Oct 29, 2012	41

PLANET FITNESS	CA	Registered	842869	Apr 21, 1997	TMA489857	Feb 23, 1998	41

PLANET FITNESS	CA	Published	1435233	Apr 21, 2009	25, 28, 41

PLANET FITNESS	CA	Pending	1632826	Jun 26, 2013	06, 12, 21, 24, 25, 29, 30, 41

PLANET FITNESS	CN	Pending	A0020917	Aug 17, 2010	25, 41

PLANET FITNESS	DO	Registered	E20129910	Apr 24, 2012	196442	Jul 17, 2012	25

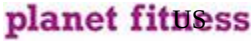
PLANET FITNESS	DO	Registered	E20129911	Apr 24, 2012	196005	Jul 17, 2012	41

PLANET FITNESS	IB	Registered	A0020917	Aug 17, 2010	1049245	Aug 17, 2010	25, 41

PLANET FITNESS	ID	Pending	J002012025497	May 30, 2012	41

PLANET FITNESS	IL	Registered	232494	Sep 5, 2010	232494	Aug 3, 2011	41

PLANET FITNESS	JP	Registered	20078854	Feb 5, 2007	5090574	Nov 9, 2007	25, 41
PLANET FITNESS	MX	Registered	744524	Oct 12, 2005	916664	Jan 25, 2006	25
PLANET FITNESS	MX	Registered	744523	Oct 12, 2005	926649	Mar 29, 2006	41
PLANET FITNESS	MX	Registered	1265955	Apr 13, 2012	1309631	Sep 6, 2012	05
PLANET FITNESS	MX	Registered	1265954	Apr 13, 2012	1309630	Sep 6, 2012	28
PLANET FITNESS	MX	Registered	1332793	Dec 10, 2012	1358634	Apr 1, 2013	32
PLANET FITNESS	MY	Registered	2012009093	May 31, 2012	2012009093	May 22, 2013	25
PLANET FITNESS	PA	Registered	214870	Jul 26, 2012	214870	Feb 20, 2013	25
PLANET FITNESS	PA	Registered	214861	Jul 26, 2012	214861	Feb 20, 2013	41
PLANET FITNESS	PH	Registered	42012500907	Apr 13, 2012	42012500907	Nov 1, 2012	25, 28, 41
PLANET FITNESS	PK	Pending	323095	Jul 5, 2012			41
PLANET FITNESS	US	Registered	74679805	May 25, 1995	2698976	Mar 25, 2003	41
PLANET FITNESS	US	Registered	74435592	Sep 10, 1993	2438677	Mar 27, 2001	25, 41
PLANET FITNESS	US	Allowed	85378230	Jul 22, 2011			29, 30
PLANET FITNESS	US	Registered	85882391	Mar 21, 2013	4435665	Nov 19, 2013	06, 12, 21, 24
PLANET FITNESS PLANET FRIENDLY	US	Registered	85161521	Oct 26, 2010	3989040	Jul 5, 2011	41
	US	Registered	85150577	Oct 12, 2010	3977162	Jun 14, 2011	41
	US	Registered	77482388	May 23, 2008	3690231	Sep 29, 2009	41
	CA	Registered	1435231	Apr 21, 2009	TMA8076 63	Sep 27, 2011	41

	US	Registered	78442815	Jun 29, 2004	3105988	Jun 20, 2006	41
PLANET FITNESS VISIONARY	CA	Pending	1629737	Jun 5, 2013			42
PLANET FITNESS VISIONARY	MX	Registered	1378995	May 31, 2013	1400646	Sep 27, 2013	42
PLANET FITNESS VISIONARY	US	Allowed	85299638	Apr 20, 2011			42
	US	Registered	77544611	Aug 12, 2008	3546881	Dec 16, 2008	41
	AU	Pending	A0029633	May 2, 2012			41
	CA	Registered	1435230	Apr 21, 2009	TMA769552	Jun 14, 2010	25, 41
	CN	Pending	A0029633	May 2, 2012			41
	DO	Registered	E20129902	Apr 24, 2012	196025	Jul 2, 2012	25
	DO	Registered	E20129903	Apr 24, 2012	196092	Jul 2, 2012	41
	IB	Registered	A0029633	May 2, 2012	1123045	May 2, 2012	41
	ID	Pending	D002012030852	Jun 26, 2012			25

	ID	Pending	J002012030853	Jun 26, 2012			41
	IL	Registered	A0029633	May 2, 2012	1123045	May 2, 2012	41
	JP	Registered	A0029633	May 2, 2012	1123045	May 2, 2012	41
	MX	Registered	1173057	Apr 20, 2011	1239463	Sep 23, 2011	41
	MX	Registered	1265952	Apr 13, 2012	1309963	Sep 6, 2012	25
	MX	Pending	1411183	Sep 9, 2013			29
	MX	Pending	1411182	Sep 9, 2013			30
	MY	Pending	2012009075	May 31, 2012			25
	PA	Registered	214877	Jul 26, 2012	214877	Feb 20, 2013	25

	PA	Registered	214876	Jul 26, 2012	214876	Feb 20, 2013	41
	PH	Registered	42012500914	Apr 13, 2012	4201200500914	Jun 20, 2013	25, 28, 41
	US	Registered	77060305	Dec 8, 2006	3387627	Feb 26, 2008	25, 41
	US	Registered	85882515	Mar 21, 2013	4435666	Nov 19, 2013	12, 21
PLANET GYM	US	Registered	75310243	Jun 17, 1997	2327099	Mar 7, 2000	41
PLANET VISIONARY	US	Allowed	85299631	Apr 20, 2011			42
	US	Registered	85150624	Oct 12, 2010	3977163	Jun 14, 2011	41
	CA	Pending	1642903	Sep 10, 2013			41
	US	Registered	85442106	Oct 7, 2011	4142746	May 15, 2012	41
	CA	Pending	1642898	Sep 10, 2013			41

	US	Registered	85441980	Oct 7, 2011	4200286	Aug 28, 2012	41
	US	Registered	77499571	Jun 16, 2008	3665723	Aug 11, 2009	28, 41
	US	Registered	78892436	May 25, 2006	3385516	Feb 19, 2008	41
	CA	Allowed	1451912	Sep 16, 2009			41
	MX	Pending	1375879	May 22, 2013			41
	US	Registered	77693918	Mar 18, 2009	3756871	Mar 9, 2010	41
RELAXATION ZONE	US	Registered	77460322	Apr 29, 2008	3842055	Aug 31, 2010	41
	US	Registered	77895722	Dec 17, 2009	3936371	Mar 29, 2011	41
	US	Registered	85537267	Feb 8, 2012	4294662	Feb 26, 2013	41
THIS AIN'T YOUR GYM.	US	Registered	85282449	Mar 31, 2011	4130769	Apr 24, 2012	41
THIS IS YOUR GYM	US	Registered	85134205	Sep 21, 2010	4064486	Nov 29, 2011	41
THIS IS YOUR PLANET	CA	Pending	1629759	Jun 5, 2013			41
THIS IS YOUR PLANET	MX	Registered	83122	May 31, 2013	773834	Sep 13, 2013	41

THIS IS YOUR PLANET	US	Registered	85390519	Aug 5, 2011	4108888	Mar 6, 2012	41
TRAINER	US	Registered	85263682	Mar 10, 2011	4110417	Mar 6, 2012	25
VISIONARY	US	Registered	85299613	Apr 20, 2011	4451713	Dec 17, 2013	42
VISIONARY PLANET FITNESS	US	Allowed	85647213	Jun 8, 2012			09
WE'RE NOT A GYM. WE'RE PLANET FITNESS.	CA	Pending	1629730	Jun 5, 2013			41
WE'RE NOT A GYM. WE'RE PLANET FITNESS.	MX	Registered	83118	May 31, 2013	77380	Sep 13, 2013	41
WE'RE NOT A GYM. WE'RE PLANET FITNESS.	US	Registered	85814856	Jan 3, 2013	4492327	Mar 4, 2014	41
WE'RE NOT A GYM. WE'RE PLANET FITNESS.	US	Registered	85973112	Jun 28, 2013	4484575	Feb 18, 2014	25
WE'RE NOT A GYM. WE'RE	CA	Pending	TBD	Mar 18, 2014			25, 41
WE'RE NOT A GYM. WE'RE	US	Allowed	85820237	Jan 10, 2013			25, 41
WHO CARES ABOUT STATUS?	US	Registered	85122761	Sep 3, 2010	3954845	May 3, 2011	41
WWW.PLANETFITNESS.COM	US	Registered	85488225	Dec 6, 2011	4146803	May 22, 2012	41
	CA	Pending	1642900	Sep 10, 2013			41
	US	Registered	85442037	Oct 7, 2011	4203868	Sep 4, 2012	41
YOU BELONG	AR	Pending	3173934	Jun 26, 2012			25
YOU BELONG	AR	Pending	3173935	Jun 26, 2012			41
YOU BELONG	AU	Registered	A0029949	May 22, 2012	1122457	May 22, 2012	41
YOU BELONG	BR	Pending	904858316	May 31, 2012			25
YOU BELONG	BR	Pending	840147813	Jun 1, 2012			41
YOU BELONG	CA	Registered	1435237	Apr 21, 2009	TMA7672 48	May 19, 2010	41
YOU BELONG	CN	Registered	A0029949	May 22, 2012	1122457	Apr 29, 2013	41
YOU BELONG	DO	Registered	E201212330	May 21, 2012	196939	Jul 31, 2012	25, 41
YOU BELONG	IB	Registered	A0029949	May 22, 2012	1122457	May 22, 2012	41

YOU BELONG	ID	Pending	D002012030841	Jun 26, 2012			25
YOU BELONG	ID	Pending	J002012030842	Jun 26, 2012			41
YOU BELONG	IL	Registered	246744	May 22, 2012	246744	Dec 5, 2013	25
YOU BELONG	IL	Registered	A0029949	May 22, 2012	1122457	May 22, 2012	41
YOU BELONG	JP	Registered	A0029949	May 22, 2012	1122457	May 22, 2012	41
YOU BELONG	MX	Registered	1275263	May 18, 2012	1375484	Jun 17, 2013	25
YOU BELONG	MX	Registered	1275264	May 18, 2012	1315642	Sep 27, 2012	41
YOU BELONG	MY	Registered	2012009089	May 31, 2012	2012009089	Apr 17, 2013	25
YOU BELONG	MY	Registered	2012009090	May 31, 2012	2012009090	Apr 18, 2013	41
YOU BELONG	PA	Registered	214865	Jul 26, 2012	214865	Feb 20, 2013	25
YOU BELONG	PA	Registered	214864	Jul 26, 2012	214864	Feb 20, 2013	41
YOU BELONG	PH	Registered	42012501283	May 22, 2012	42012501283	Feb 9, 2013	25, 28, 41
YOU BELONG	US	Registered	77460281	Apr 29, 2008	3584434	Mar 3, 2009	41
	CA	Pending	1629727	Jun 5, 2013			41
	MX	Registered	1378990	May 31, 2013	1400644	Sep 27, 2013	41
	US	Registered	85184810	Nov 24, 2010	4130502	Apr 24, 2012	41
YOU WON'T FEEL THE BURN IN YOUR WALLET	US	Registered	85487971	Dec 6, 2011	4269558	Jan 1, 2013	41
YOWZAH	US	Registered	85122680	Sep 3, 2010	4040692	Oct 18, 2011	41
	US	Registered	85124673	Sep 8, 2010	4013846	Aug 16, 2011	41
ZERO.ZILCH.ZIP!	US	Registered	85122850	Sep 3, 2010	4047859	Nov 1, 2011	41

ZERO-ZIP-ZILCH	US	Registered	85122804	Sep 3, 2010	3954849	May 3, 2011	41
ZONA DE NO JUZGAR	MX	Registered	83617	Jun 27, 2013	78799	Dec 3, 2013	41
	US	Registered	77359027	Dec 24, 2007	3501184	Sep 16, 2008	41

Registered Copyrights

All registered copyrights are held by PFIP, LLC. There are no pending copyright applications.

<u>Copyright Title</u>	<u>Author Created</u>	<u>Publication Date</u>	<u>Registration Date</u>	<u>Registration No.</u>
Especial De Verano	Text	1-Aug-06	24-Dec-07	TX 6-977-398
“Untitled”	Text & Compilation	1-Dec-04	20-Aug-09	TX 6-960-995
Black Card Benefits	Text & Graphic Design	18-Apr-05	21-Feb-07	TX 6-551-237
Happy Holidays From the Staff of Planet Fitness	Text & Graphic Design	29-Nov-04	14-Apr-08	VA 1-679-078
Huge One Dollar Sale	Text	1-Apr-09	10-Dec-09	TX 7-255-956
Info Call Guidelines	Text	1-May-98	20-Aug-09	TX 6-960-916
Info Call Log	Text	1-Oct-08	20-Aug-09	TX 6-960-991
Join Now and Save Company Sign-Up Sheet	Text & Artwork	1-Aug-06	23-Nov-07	TX 6-907-422
Just for a Member of Your Family!	Text & Artwork	1-Aug-06	23-Nov-07	TX 6-906-926
Last Chance to Save!!!	Text & Artwork	1-Aug-06	23-Nov-07	TX 6-906-971
Lockeroom Checklist, Walkaround Checklist	Text & Compilation	1-Dec-04	20-Aug-09	TX 6-961-002
New Location! Same Planet!	Text, Editing, Artwork	3-Jul-05	17-Aug-11	Txu 1-771-647
New Location! Same Planet!	Text, Editing, Artwork	7-Oct-11	9-Dec-11	Tx 7-463-078
No Vendedores No Compromiso No Bromear!	Text	1-Aug-06	24-Dec-07	TX 7-237-829
PF Express 30 Minute Workout Instructions	Text, 2-dimensional Artwork	1-Dec-06	17-Mar-09	TX 7-233-625
Planet Fitness \$ 1 Sale Commercial	Editing/ audio visual elements, sound accompanying audio visual work	1-Jan-09	11-Dec-09	PA 1-662-557
Planet Fitness \$ 1 Sale Lunk Commercial	Editing/ audio visual elements, sound accompanying audio visual work	31-Dec-09	7-Jan-10	PA 1-665-272
Planet Fitness Application Commercial	Editing/ audio visual elements, sound accompanying audio visual work	1-Oct-10	27-Oct-10	PA 1-755-977
Planet Fitness Bunny Ears Commercial	Editing/ audio visual elements, sound accompanying audio visual work	1-Oct-10	27-Oct-10	PA 1-755-975
Planet Fitness Dress Code Design	Text & Artwork	24-May-10	13-Dec-10	TX 7-316-593

<u>Copyright Title</u>	<u>Author Created</u>	<u>Publication Date</u>	<u>Registration Date</u>	<u>Registration No.</u>
Planet Fitness Famous Corporate Membership Discount	Text & Artwork	1-Aug-06	23-Nov-07	TX 6-906-920
Planet Fitness Lift Things Up Commercial	Editing/ audio visual elements, sound accompanying audio visual work	1-Oct-10	27-Oct-10	PA 1-755-914
Planet Fitness Mailer Reverse Side	Text/Editing/Artwork	3-Jul-05	17-Aug-11	Txu 1-771-645
Planet Fitness Makes Rejoining Easy!!!	Text & Artwork	1-Aug-06	23-Nov-07	TX 6-906-978
Planet Fitness Makes Renewing Easy!!!	Text & Artwork	1-Aug-06	23-Nov-07	TX 6-906-983
Planet Fitness Membership Agreement	Text & Editing	28-Oct-09	10-Dec-10	TX 7-305-181
Planet Fitness- Mission Statement	Text	1-Nov-97	15-May-02	TX 5-598-346
Planet Fitness Mission Statement (Amended Version)	Translation	1-Aug-06	24-Dec-07	TX-7-157-230
Planet Fitness- Pizza Night, Bagel Morning	Text & Poetry	30-Nov-05	24-Jul-09	TX 7-302-310
Planet Fitness Web Site	Portions of Text and Graphics	2-Jan-07	19-Oct-07	TX 6-812-094
Rate Extended By Popular Demand!	Text & Artwork	1-Aug-06	23-Nov-07	TX 6-906-985
Special Offer for Our \$99 Members Flyer	Text	1-Jul-10	8-Sep-10	TX 7-255-763
Unlimited Group Fitness training P.E.and P.F.	Text & Poetry	31-May-96	27-Jul-09	TX 7-305-820
Unlimited Tanning	Text & Graphic Design	1-Aug-06	17-Dec-07	TX 7-182-791
We Are Now Open!!!	Text & Artwork	1-Aug-06	23-Nov-07	TX 6-906-974
Who Care About Status? Get the PF Black Card	Text & Graphic Design	18-Apr-05	23-Nov-07	TX 6-551-541
Who Cares About Status? Get the PF Black Card	Text & Artwork	1-Aug-06	23-Nov-07	TX 6-906-913
Your Friend Will Love You... And Planet Fitness!!!	Text & Artwork	1-Aug-06	23-Nov-07	TX 6-906-964
You Won't Feel the Burn in Your Wallet	Text & Artwork	8-Dec-11	13-Jan-12	TX 7-524-182
Planet Fitness \$99 Sale Commercial	Motion Picture	31-Jan-09	30-Nov-09	PA0001660763
Planet Fitness Mailer Reverse Side	Text, editing, artwork	7-Oct-11	2011	TX0007477803

<u>Copyright Title</u>	<u>Author Created</u>	<u>Publication Date</u>	<u>Registration Date</u>	<u>Registration No.</u>
Membership Sales Computer Program	Computer Program	28-Sep-11	2011	TX0007500037
Planet Fitness : mission statement	Text & Compilation	1-Nov-97	15-May-02	TX0005598346
Especial De Verano	Security interests	23-Sep-10	08-Oct-10	V3594D903
Membership Sales Statistics Form	Text & Compilation	28-Sep-11	03-Feb-12	TX0007505079
Brotein Commercial	Editing/ audio visual elements, sound accompanying audio visual work	03-Apr-2012	25-Apr-2012	PA0001809138
Brotein Commercial	Editing/ audio visual elements, sound accompanying audio visual work	2011	22-Mar-2012	PAu003641761
Planet Fitness Doo Wop TV Commercial	Editing/ audio visual elements, sound accompanying audio visual work	2011	07-Mar-2012	Pau003624661
Planet Fitness Locker Room TV Commercial	Editing/ audio visual elements, sound accompanying audio visual work	2011	06-Mar-2012	Pau003636550
Planet Fitness Washboard TV Commercial	Editing/ audio visual elements, sound accompanying audio visual work	21-Feb-12	07-Mar-2012	PA0001807857
BURN	entire motion picture, production, producer, direction/director, script/screenplay, cinematography/cinematograph er, editing, editor	10-Jan-13	30-Jan-13	PA 1-823-185
DRILL SERGEANT	entire motion picture, production, producer, direction/director, script/screenplay, cinematography/cinematograph er, editing, editor	10-Jan-13	30-Jan-13	PA 1-823-158
HOT	entire motion picture, production, producer, direction/director, script/screenplay, cinematography/cinematograph er, editing, editor	10-Jan-13	30-Jan-13	PA 1-823-148
YOGA-TOXINS	entire motion picture, production, producer, direction/director, script/screenplay, cinematography/cinematograph er, editing, editor	10-Jan-13	30-Jan-13	PA 1-823-140

<u>Copyright Title</u>	<u>Author Created</u>	<u>Publication Date</u>	<u>Registration Date</u>	<u>Registration No.</u>
HOT (CLEAN VERSION)	entire motion picture, production, producer, direction/director, script/screenplay, cinematography/cinematograph er, editing, editor	10-Jan-13	29-Jan-13	PA 1-822-753
YOGA-NAMASTE	entire motion picture, production, producer, direction/director, script/screenplay, cinematography/cinematograph er, editing, editor	10-Jan-13	29-Jan-13	PA 1-822-706

Domain Names

All domain names are held by PFIP, LLC, unless noted otherwise.

<u>Domain Name</u>	<u>Expires</u>	<u>Status</u>	<u>Auto-Renew</u>
24HR-PLANET-FITNESS.COM	11/11/2015	Active	on
24HR-PLANET-FITNESS.INFO	11/11/2015	Active	on
24HR-PLANET-FITNESS.MOBI	11/11/2015	Active	on
24HR-PLANET-FITNESS.NET	11/11/2015	Active	on
24HR-PLANET-FITNESS.TV	11/11/2015	Active	on
BIGPLANETFITNESS.COM	9/10/2016	Active	on
BLASTFITGYM.COM	5/15/2016	Active	on
BLASTFITGYMS.COM	5/15/2016	Active	on
BLASTGYM.COM	5/15/2016	Active	on
BLASTGYMS.COM	5/15/2016	Active	on
BLASTWORKOUT.COM	5/15/2016	Active	on
BOOMANDBUILD.COM	10/15/2016	Active	on
COMPAREPLANETFITNESS.COM	1/11/2016	Active	on
FITNESSPLANET.CO	2/13/2016	Active	on
FITNESSPLANETONLINE.COM	2/7/2015	Active	on
GYMTIMIDATION.COM	1/18/2015	Active	on
JFZGYMS.COM	9/8/2016	Active	on
JUDGEMENTFREEASSOCIATION.BIZ	1/30/2016	Active	on
JUDGEMENTFREEASSOCIATION.COM	1/31/2016	Active	on
JUDGEMENTFREEASSOCIATION.NET	1/31/2016	Active	on
JUDGEMENTFREEASSOCIATION.ORG	1/31/2016	Active	on
JUDGEMENTFREEASSOCIATION.US	1/30/2016	Active	on

<u>Domain Name</u>	<u>Expires</u>	<u>Status</u>	<u>Auto-Renew</u>
JUDGEMENTFREEZONE.COM	2/13/2016	Active	off
JUDGMENTFREEZONE.COM	2/13/2016	Active	off
LUNKALARM.COM	2/3/2016	Active	on
MYPLANETFITNESS.COM	7/9/2016	Active	on
MYPLANETFITNESSREWARDS.COM	3/3/2015	Active	off
NOCRITICS.COM	3/21/2017	Active	on
NOGYMTIMIDATION.BIZ	4/1/2016	Active	on
NOGYMTIMIDATION.COM	4/2/2016	Active	on
NOGYMTIMIDATION.NET	4/2/2016	Active	on
NOGYMTIMIDATION.ORG	4/2/2016	Active	on
ONEPLANETFITNESS.COM	3/10/2016	Active	on
ONEPLANETFITNESS.NET	1/31/2015	Active	on
PEOPLEOFPLANETFITNESS.COM	11/27/2016	Active	on
PF-FA.COM	1/31/2016	Active	on
PF-FA.NET	1/31/2016	Active	on
PF-FA.ORG	1/31/2016	Active	on
PF-HQ.COM	7/12/2018	Active	on
PFFRANCHISE.BIZ	1/30/2016	Active	on
PFFRANCHISE.COM	1/31/2016	Active	on
PFFRANCHISE.NET	1/31/2016	Active	on
PFFRANCHISE.US	1/30/2016	Active	on
PFFRANCHISEASSOCIATION.BIZ	1/30/2016	Active	on
PFFRANCHISEASSOCIATION.COM	1/31/2016	Active	on
PFFRANCHISEASSOCIATION.NET	1/31/2016	Active	on

<u>Domain Name</u>	<u>Expires</u>	<u>Status</u>	<u>Auto-Renew</u>
PFFRANCHISEASSOCIATION.ORG	1/31/2016	Active	on
PFFRANCHISEASSOCIATION.US	1/30/2016	Active	on
PFGYM.COM	12/29/2015	Active	on
PFGYM.NET	2/12/2015	Active	on
PFGYM.ORG	2/12/2015	Pending	on
PFGYM.XXX	2/16/2018	Pending	on
PFGYMS.COM	2/11/2016	Active	on
PFGYMS.NET	2/12/2015	Active	on
PFHQ.COM	5/3/2015	Active	on
PFMYPLANET.BIZ	1/30/2016	Active	on
PFMYPLANET.COM	1/31/2016	Active	on
PFMYPLANET.NET	1/31/2016	Active	on
PFMYPLANET.US	1/30/2016	Active	on
PFNOLUNKS.CO	1/30/2015	Active	on
PFNOLUNKS.COM	10/3/2016	Active	on
PFNOLUNKS.INFO	1/31/2015	Active	on
PFNOLUNKS.NET	1/31/2015	Active	on
PFNORTHWEST.COM	7/26/2017	Active	off
PFOREGON.COM	7/26/2017	Active	on
PFSTORE.COM	9/29/2018	Active	on
PFTEAMMEMBERS.COM	4/1/2019	Active	on
PFWASHINGTON.COM	7/26/2017	Active	on
PLANET-FITNESS.CO	3/23/2019	Active	on
PLANET-FITNESS.INFO	4/4/2016	Active	on

<u>Domain Name</u>	<u>Expires</u>	<u>Status</u>	<u>Auto-Renew</u>
PLANET-FITNESS.ORG	3/13/2016	Active	on
PLANETFATNESS.COM	12/14/2015	Active	on
PLANETFITENSS.COM	4/16/2015	Active	on
PLANETFITESS.COM	12/19/2015	Active	off
PLANETFITFORUM.COM	8/14/2016	Active	on
PLANETFITGYM.BIZ	10/31/2016	Active	on
PLANETFITGYM.CO	10/31/2016	Active	on
PLANETFITGYM.COM	11/1/2016	Active	on
PLANETFITGYM.INFO	11/1/2016	Active	on
PLANETFITGYM.MOBI	11/1/2016	Active	on
PLANETFITGYM.NET	11/1/2016	Active	on
PLANETFITGYM.ORG	11/1/2016	Active	on
PLANETFITNES.COM	3/8/2015	Active	on
PLANETFITNESS.BIZ	2/17/2017	Pending	on
PLANETFITNESS.CA	7/1/2015	Active	off
PLANETFITNESS.CC	3/24/2019	Active	on
PLANETFITNESS.CO	7/19/2016	Active	off
PLANETFITNESS.COM	3/8/2016	Active	on
PLANETFITNESS.COM.MX	11/10/2016	Active	on
PLANETFITNESS.INFO	1/21/2016	Active	off
PLANETFITNESS.LA	3/24/2019	Active	on
PLANETFITNESS.ME	3/24/2019	Active	on
PLANETFITNESS.MOBI	3/24/2019	Active	on
PLANETFITNESS.MX	11/9/2016	Active	on

<u>Domain Name</u>	<u>Expires</u>	<u>Status</u>	<u>Auto-Renew</u>
PLANETFITNESS.ORG	6/18/2016	Active	off
PLANETFITNESS.WS	3/24/2019	Active	on
PLANETFITNESS816.COM	8/31/2016	Active	on
PLANETFITNESSCHANNEL.COM	3/18/2016	Active	on
PLANETFITNESSCOMPARISON.COM	1/11/2016	Active	on
PLANETFITNESSCORPORATE.COM	1/19/2020	Active	on
PLANETFITNESSCOUPONS.COM	1/9/2015	Active	on
PLANETFITNESSDEV.COM	2/26/2019	Active	on
PLANETFITNESSDEV.INFO	2/26/2019	Active	on
PLANETFITNESSDEV.NET	2/26/2019	Active	on
PLANETFITNESSDEV.ORG	2/26/2019	Active	on
PLANETFITNESSESTERO.COM	4/19/2016	Active	off
PLANETFITNESSF.NET	1/31/2016	Active	on
PLANETFITNESSFA.COM	1/31/2016	Active	on
PLANETFITNESSFA.NET	1/31/2016	Active	on
PLANETFITNESSFA.ORG	1/31/2016	Active	on
PLANETFITNESSFAC.NET	2/16/2018	Active	on
PLANETFITNESSFORTMYERS.COM	4/19/2016	Active	off
PLANETFITNESSFRANCHISE.NET	7/7/2016	Active	on
PLANETFITNESSFRANCHISEASSOCIATION.BIZ	1/30/2016	Active	on
PLANETFITNESSFRANCHISEASSOCIATION.COM	1/31/2016	Active	on
PLANETFITNESSFRANCHISEASSOCIATION.NET	1/31/2016	Active	on
PLANETFITNESSFRANCHISEASSOCIATION.ORG	1/31/2016	Active	on
PLANETFITNESSFRANCHISEASSOCIATION.US	1/30/2016	Active	on

<u>Domain Name</u>	<u>Expires</u>	<u>Status</u>	<u>Auto-Renew</u>
PLANETFITNESSFRAUD.COM	2/23/2016	Active	off
PLANETFITNESSGIFTCARDS.COM	12/29/2016	Active	on
PLANETFITNESSHQ.COM	9/6/2022	Active	on
PLANETFITNESSINTERNATIONAL.COM	10/4/2015	Active	off
PLANETFITNESSLOCATIONS.COM	5/13/2016	Active	off
PLANETFITNESSLOCATIONS.ORG	2/20/2016	Active	on
PLANETFITNESSMAG.COM	11/11/2015	Active	off
PLANETFITNESSMOBILE.COM	5/30/2016	Active	on
PLANETFITNESSMONTREAL.CA	7/1/2015	Active	off
PLANETFITNESSNAPLES.COM	4/19/2016	Active	off
PLANETFITNESSNETWORK.COM	4/18/2016	Active	on
PLANETFITNESSNOW.COM	1/1/2016	Active	off
PLANETFITNESSNUTRITION.COM	8/20/2018	Active	on
PLANETFITNESSOMAHA.COM	6/6/2016	Active	off
PLANETFITNESSONLINE.COM	3/16/2016	Active	off
PLANETFITNESSONLINE.NET	1/10/2015	Active	on
PLANETFITNESSOREGON.COM	7/26/2017	Active	on
PLANETFITNESSORLANDO.COM	4/19/2016	Active	off
PLANETFITNESSOUTLET.COM	1/17/2015	Active	on
PLANETFITNESSOUTLET.NET	1/23/2015	Active	on
PLANETFITNESSPR.COM	10/5/2018	Active	off
PLANETFITNESSREWARDS.COM	2/21/2016	Active	on
PLANETFITNESSRIPOFF.COM	2/23/2016	Active	off
PLANETFITNESSSA.COM	11/19/2016	Active	on

<u>Domain Name</u>	<u>Expires</u>	<u>Status</u>	<u>Auto-Renew</u>
PLANETFITNESSSUCKS.BIZ	1/30/2015	Active	on
PLANETFITNESSSUCKS.CO	1/30/2015	Active	on
PLANETFITNESSSUCKS.INFO	5/15/2016	Active	on
PLANETFITNESSSUCKS.NET	10/27/2016	Active	on
PLANETFITNESSSUCKS.ORG	10/27/2014	Pending	on
PLANETFITNESSSUPPLEMENTS.COM	8/20/2018	Active	on
PLANETFITNESSTAMPA.COM	4/19/2016	Active	on
PLANETFITNESSTUBE.BIZ	12/10/2016	Active	on
PLANETFITNESSTUBE.CO	12/10/2016	Active	on
PLANETFITNESSTUBE.COM	12/11/2016	Active	on
PLANETFITNESSTUBE.INFO	12/11/2016	Active	on
PLANETFITNESSTUBE.NET	12/11/2016	Active	on
PLANETFITNESSTUBE.ORG	12/11/2016	Active	on
PLANETFITNESSWORKOUTAGAINSTCANCER.ORG	11/27/2016	Active	on
PLANETFITNESSZONE.COM	6/12/2016	Active	off
PLANETFITNNESS.COM	5/26/2016	Active	off
PLANETFITNNESS.BIZ	1/23/2015	Active	on
PLANETFITNNESS.CO	1/23/2015	Active	on
PLANETFITNNESS.COM	4/21/2016	Active	off
PLANETFITNNESS.INFO	1/24/2015	Active	on
PLANETFITNNESS.MOBI	1/24/2015	Active	on
PLANETFITNNESS.NET	1/24/2015	Active	on
PLANETFITNNESS.ORG	1/24/2015	Active	on

<u>Domain Name</u>	<u>Expires</u>	<u>Status</u>	<u>Auto-Renew</u>
PLANETFITNSS.COM	7/21/2016	Active	off
PLANETSTRENGTHANDFITNESS.CO	1/30/2015	Active	on
PLANETSTRENGTHANDFITNESS.COM	10/24/2016	Active	on
PLANETSTRENGTHANDFITNESS.INFO	1/31/2015	Active	on
PLANETSTRENGTHANDFITNESS.NET	1/31/2015	Active	on
PLANETXFITNESS.COM	9/27/2016	Active	on
THEJUDGEMENTFREEZONE.COM	5/17/2016	Active	off
THEJUDGMENTFREEZONE.COM	5/17/2016	Active	off
VISIONARYHELP.CO	2/2/2015	Active	on
VISIONARYHELP.COM	7/27/2016	Active	on
VISIONARYHELP.INFO	2/3/2015	Active	on
VISIONARYHELP.NET	2/3/2015	Active	on
VISIONARYSUPPORT.COM	11/7/2018	Active	on
WEBEATPLANETFITNESS.COM	1/11/2016	Active	on
WORKOUTBLASTFITNESS.COM	5/15/2016	Active	on
WORKOUTPLANETFITNESS.COM	8/23/2018	Active	off
WWPLANETFITNESS.CO	1/30/2015	Active	on
WWPLANETFITNESS.COM	12/17/2016	Active	on
WWPLANETFITNESS.INFO	1/31/2015	Active	on
WWPLANETFITNESS.NET	1/31/2015	Active	on
WWWPLANETFITNESS.COM	2/20/2016	Active	off

Inbound IP License Agreements

1. License Agreement-Mechanical Music (Chain Stores) Audio and Audio-Visual Uses, between American Society of Composers, Authors and Publishers, and Pla-Fit Franchise, LLC, dated October 24, 2008.
2. Music Performance Agreement between Broadcast Music, Inc. and Pla-Fit Franchise, LLC, dated October 1, 2008.
3. SESAC Performance License, by and between SESAC, Inc. and Pla-Fit Franchise, LLC, effective as of January 1, 2008.
4. Promotion License Agreement by and between Universal City Studios Productions LLLP and Pla-Fit Franchise, LLC dated October 1, 2013, with expiration of June 30, 2014.

Outbound IP License Agreements

5. The Companies' intellectual property is held in PFIP, LLC and is licensed out to subsidiaries of Planet Fitness Holdings, LLC.
6. Settlement Agreement and Release among Michael Grondahl and PFIP, LLC on the one hand, and Rick Berks and other individuals and entities on the other hand, dated March 5, 2010.
7. Trademark Co-Existence Agreement between S.A.S.C.O Trading, Inc. and PFIP, LLC, dated June 25, 2010.
8. Preferred Vendor Agreement between Pla-Fit Franchise, LLC and ClubCom LLC, effective September 26, 2012.
9. License Agreement and Assignment between Women Only Fitness & Aerobics, Inc. and PFIP, LLC, dated April 2, 2009.
10. Trademark License Agreement between PFIP, LLC and Planet Fitness Canada, LLC, effective May 8, 2009.
11. Trademark License Agreement by and between Karl T. Weygandt and Pla-Fit Health, LLC.
12. Agreement between Karl T. Weygandt and Pla-Fit Health, LLC.
13. Assignment of Trademark and Pending Application, by Karl T. Weygandt to Pla-Fit Health, LLC, dated February 26, 2001.
14. Digital Media Agreement by and between ClubCom LLC and Planet Holding Corp., dated as of August 21, 2012.
15. Insurance Marketing Agreement, by and between TD Insurance, Inc. and Planet Fitness Holdings, LLC ("Sponsor"), PFIP, LLC ("PFIP") and Pla-Fit Franchise, LLC ("Pla-Fit").

16. ADP Partner Agreement between ADP, Inc. and Pla-Fit Franchise, LLC, dated February 8, 2011.
17. Advertising Services Agreement by and between Pla-Fit Franchise, LLC and Anson Stoner, Inc., dated March 3, 2009 (as amended July 22, 2010).
18. Settlement and trademark co-existence agreement between PFIP, LLC on the one hand, and Planet Beach Brands LLC and Planet Beach Franchising Corporation on the other hand, dated November 20, 2013.

SCHEDULE 3.06

Disclosed Matters

(a) LITIGATION

None.

(b) ENVIRONMENTAL MATTERS

None.

SCHEDULE 3.15

Capitalization and Subsidiaries

Capitalization

<u>Entity</u>	<u>Capitalization</u>
Planet Fitness Holdings, LLC	100% Equity Interest held by Planet Intermediate, LLC
Planet Fitness Equipment, LLC	100% Equity Interest held by Planet Fitness Holdings, LLC
Pla-Fit Franchise, LLC	100% Equity Interest held by Planet Fitness Holdings, LLC
PFIP, LLC	100% Equity Interest held by Pla-Fit Franchise, LLC
Pla-Fit Health, L.L.C.	100% Equity Interest held by Planet Fitness Holdings, LLC
Planet Fitness Mexico, LLC	100% Equity Interest held by Planet Fitness Holdings, LLC
PF Derry, LLC	100% Equity Interest held by Pla-Fit Health, L.L.C.
JFZ, LLC	100% Equity Interest held by Pla-Fit Health, L.L.C.
Pizzazz LLC	100% Equity Interest held by Pla-Fit Health, L.L.C.
Pizzazz II LLC	100% Equity Interest held by Pla-Fit Health, L.L.C.

<u>Entity</u>	<u>Capitalization</u>
PFPA, LLC	51% Equity Interest held by Pla-Fit Health, L.L.C. 49% Equity Interest held by Pizzazz LLC
PF Erie LLC	100% Equity Interest held by Pizzazz II LLC
PF Greensburg, LLC	100% Equity Interest held by Pizzazz II LLC
Pla-Fit Warminster, LLC	100% Equity Interest held by PFPA, LLC
PFCA, LLC	100% Equity Interest held by Pla-Fit Health, L.L.C.
PF Vallejo, LLC	100% Equity Interest held by PFCA, LLC
Pla-Fit Health NJNY, LLC	100% Equity Interest held by Pla-Fit Health, L.L.C.
Long Island Fitness Group, LLC	100% Equity Interest held by Pla-Fit Health NJNY, LLC
Bayshore Fitness Group, LLC	100% Equity Interest held by Pla-Fit Health NJNY, LLC
Melville Fitness Group, LLC	100% Equity Interest held by Pla-Fit Health NJNY, LLC
Carle Place Fitness Group, LLC	100% Equity Interest held by Pla-Fit Health NJNY, LLC
Levittown Fitness Group, LLC	100% Equity Interest held by Pla-Fit Health NJNY, LLC
1040 South Broadway Fitness Group, LLC	100% Equity Interest held by Pla-Fit Health NJNY, LLC
Bayonne Fitness Group, LLC	100% Equity Interest held by Pla-Fit Health NJNY, LLC
Edison Fitness Group, LLC	100% Equity Interest held by Pla-Fit Health NJNY, LLC
601 Washington Street Fitness Group LLC	100% Equity Interest held by Pla-Fit Health NJNY, LLC
Peekskill Fitness Group, LLC	100% Equity Interest held by Pla-Fit Health NJNY, LLC
Pla-Fit Colorado, LLC	100% Equity Interest held by Pla-Fit Health, L.L.C.
Pla-Fit Canada Inc.	100% Equity Interest held by Planet Fitness Holdings, LLC

SCHEDULE 5.11

Post Closing Actions

1. Deliver all deposit account control agreements required to be delivered pursuant to Section 4.14 of the Security Agreement within 90 days of the Effective Date (or such later date as may be agreed to by the Administrative Agent in its discretion).
2. Deliver a lien termination from Ascentium Capital LLC (with respect to the Pla-Fit Health, L.L.C. UCC-1 file #121031526277), within 30 days of the Effective Date (or such longer period as the Administrative Agent may agree to in its discretion).

3. Deliver the Subordination Agreements in connection with the following UCC-1 Financing Statements within 30 days of the Effective Date:

Debtor	Jurisdiction	File # and File Date	Secured Party
Edison Fitness Group, LLC	New Jersey	UCC-1 #26370019	Wick Shopping Plaza Associates, LLC
Edison Fitness Group, LLC	New Jersey	UCC-1# 02129-0103	Wick Shopping Plaza Associates, LLC
	Middlesex County Clerk	5/9/13	
		5/15/13	

SCHEDULE 6.01

Existing Indebtedness

As of the Effective Date, the following items are the Companies' Debt:

1. The following capital leases:

Debtor	Creditor	Maturity	Prin Balance 12/31/13
Pla-Fit Health, LLC*	VGM Financial Services/ Life Fitness	02/10/15	44,003
Pla-Fit Health, LLC*	VGM Financial Services/ Life Fitness	03/15/14	10,295
Pla-Fit Health, LLC*	VGM Financial Services/ Life Fitness	02/15/15	32,197
Pla-Fit Health, LLC*	VGM Financial Services/ Life Fitness	08/01/14	54,915
Pla-Fit Health, LLC*	VGM Financial Services/ Life Fitness	08/01/15	55,437
Pla-Fit Health, LLC*	VGM Financial Services/ Life Fitness	01/15/14	6,503
Pla-Fit Health, LLC*	VGM Financial Services/ Life Fitness	01/15/15	40,141
Pla-Fit Colorado, LLC	Ascentium Capital /Main Street Bank	03/20/14	16,610
PFPA, LLC	VGM Financial Services/ Life Fitness	10/15/14	45,143
PFPA, LLC	VGM Financial Services/ Life Fitness	10/15/14	1,324
PFPA, LLC	VGM Financial Services/ Life Fitness	03/05/14	2,313
PFPA, LLC	VGM Financial Services/ Life Fitness	06/15/14	50,461
PFPA, LLC	VGM Financial Services/ Life Fitness	06/15/15	72,195
PFPA, LLC	VGM Financial Services/ Life Fitness	02/05/14	17,388
PFPA, LLC	VGM Financial Services/ Life Fitness	02/05/15	59,388
PFPA, LLC	VGM Financial Services/ Life Fitness	10/15/14	45,143
PFPA, LLC	VGM Financial Services/ Life Fitness	10/01/14	1,324
PFPA, LLC	Ascentium Capital /Main Street Bank	04/05/14	103,819
PFPA, LLC	Ascentium Capital /Main Street Bank	03/05/14	95,973
PFPA, LLC	Ascentium Capital /Main Street Bank	08/20/15	344,195
Pla-Fit Warminster, LLC	JK Capital Inc	10/29/14	8,336
Long Island Fitness Group, LLC	VGM Financial Services/ Life Fitness	01/01/15	9,119
Long Island Fitness Group, LLC	Macrolease Corp/ Bank Rhode Island	11/15/16	365,884
Pla-Fit Heath & Bayonne Fitness Group	Ascentium Capital /Main Street Bank	04/05/14	85,031

Edison Fitness Group, LLC*	VGM Finl Services - 1493-016	04/10/14	15,880
Edison Fitness Group, LLC*	VGM Finl Services - 1493-017	04/10/14	966

* Capital leases guaranteed by the Subsidiaries which provide for a default event if any guarantor transfers ownership of or interests in substantially all of its assets.

Total Outstanding as of December 31, 2013: \$1,583,983

2. The following Guarantees:

Guarantees of Real Property Lease Obligations

<u>Loan Party/Subsidiary Guarantor</u>	<u>Obligor</u>	<u>Related Location (if applicable)</u>	<u>Guaranteed Principal Balance</u>
Pla-Fit Health, L.L.C.	Planet Fitness of West Market, LLC	4640 West Market Street, Greensboro, NC 27407	337,067
Pla-Fit Health, L.L.C.	PF-Bristol, LLC	Bristol, CT	1,902,926
Pla-Fit Health, L.L.C.	PF Eagle, LLC	Coventry, RI	342,144
Pla-Fit Health, L.L.C.	PF Birdie, LLC	Woonsocket, RI	716,833

Total Outstanding as of December 31, 2013: \$3,298,970

Guarantees of Equipment Lease Obligations

<u>Guarantor</u>	<u>Name of Obligor</u>	<u>Location (if applicable)</u>	<u>Guaranteed Principal Balance</u>
Pla-Fit Franchise, LLC	Various	Various (Guarantee Program with Main Street Bank and Ascentium Capital)	603,853
Pla-Fit Health, LLC	PFNY entity	Bronx (Pelham Bay), NY	2,151
Pla-Fit Health, LLC	PFNY entity	Bronx (Pelham Bay), NY	54,392
Pla-Fit Health, LLC	PFNY entity	White Plains, NY	2,151
Pla-Fit Health, LLC	PFNY entity	White Plains, NY	54,392
Pla-Fit Health, LLC JFZ, LLC, Pla-Fit, LLC	PFNY entity	Hicksville (Old Country Rd), NY	86,660
Pla-Fit Health, JFZ, PF Equipment, PF Franchise, Pla-Fit LLC	PFNY entity	Airmont, NY	717
Pla-Fit Health, JFZ, PF Equipment, PF Franchise, Pla-Fit LLC	PFNY entity	Airmont, NY	15,033
Pla-Fit Health, JFZ, PF Equipment, PF Franchise, Pla-Fit LLC	PFNY entity	New York (Dyckman), NY	892
Pla-Fit Health, JFZ, PF Equipment, PF Franchise, Pla-Fit LLC	PFNY entity	New York (Dyckman), NY	19,703
Pla-Fit Health LLC, PF Equipment, PF Franchise	PFNY entity	New York (Dyckman), NY	7,623
Pla-Fit Health, LLC	PFNY entity	Brooklyn (Duffield), NY	348,404
Long Island FG, Carle Place FG, Bayshore FG, Bayonne FG, Peekskill FG, Melville FG,	Jamaica Fitness Group LLC	Jamaica (Richmond Hill), NY	320,228

Total Outstanding as of December 31, 2013: \$1,516,199

Certain of the capital leases and guarantees of capital leases listed above are secured by a lien on all assets. Notwithstanding anything in the foregoing, such liens cannot be extended, renewed, refinanced or replaced, unless the capital lease extension, renewal, refinancing or replacement of such original capital lease has a security interest limited only to the assets subject to such capital lease.

SCHEDULE 6.02**Existing Liens****Capital Lease Liens**

Capital leases on Schedule 6.01 (and related UCC filings made by counterparties thereto)

Other Person Property Liens

None.

SCHEDULE 6.04**Existing Investments Investments**

<u>Owner</u>	<u>Issuer</u>	<u>Security Description</u>	<u>Certificated</u>	<u>% Ownership</u>
Planet Fitness Holdings, LLC	Pla-Fit Franchise, LLC	Membership Interest		100%
Pla-Fit Franchise, LLC	PFIP, LLC	Membership Interest		100%
Planet Fitness Holdings, LLC	Pla-Fit Health, L.L.C.	Membership Interest		100%
Pla-Fit Health, L.L.C.	JFZ, LLC	Membership Interest		100%
Pla-Fit Health, L.L.C.	PF Derry, LLC	Membership Interest		100%
Planet Fitness Holdings, LLC	Planet Fitness Equipment, LLC	Membership Interest		100%
Pla-Fit Health, L.L.C.	Pizzazz LLC	Membership Interest	Certificated	100%
Pla-Fit Health, L.L.C.	Pizzazz II LLC	Membership Interest	Certificated	100%
Pla-Fit Health, L.L.C.	PFPA, LLC	Membership Interest	Certificated	51%
Pizzazz LLC	PFPA, LLC	Membership Interest	Certificated	49%
Pizzazz II LLC	PF Erie LLC	Membership Interest	Certificated	100%
Pizzazz II LLC	PF Greensburg, LLC	Membership Interest	Certificated	100%
PFPA, LLC	Pla-Fit Warminster, LLC	Membership Interest	Certificated	100%
Pla-Fit Health, L.L.C.	PFCA, LLC	Membership Interest		100%
PFCA, LLC	PF Vallejo, LLC	Membership Interest		100%
Pla-Fit Health, L.L.C.	Pla-Fit Health NJNY, LLC	Membership Interest		100%

<u>Owner</u>	<u>Issuer</u>	<u>Security Description</u>	<u>Certificated</u>	<u>% Ownership</u>
Pla-Fit Health NJNY, LLC	Long Island Fitness Group, LLC	Membership Interest		100%
Pla-Fit Health NJNY, LLC	Bayshore Fitness Group, LLC	Membership Interest		100%
Pla-Fit Health NJNY, LLC	Melville Fitness Group, LLC	Membership Interest		100%
Pla-Fit Health NJNY, LLC	Carle Place Fitness Group, LLC	Membership Interest		100%
Pla-Fit Health NJNY, LLC	Levittown Fitness Group, LLC	Membership Interest		100%
Pla-Fit Health NJNY, LLC	1040 South Broadway Fitness Group, LLC	Membership Interest		100%
Pla-Fit Health NJNY, LLC	Bayonne Fitness Group, LLC	Membership Interest		100%
Pla-Fit Health NJNY, LLC	Edison Fitness Group, LLC	Membership Interest		100%
Pla-Fit Health NJNY, LLC	601 Washington Street Fitness Group LLC	Membership Interest		100%
Pla-Fit Health NJNY, LLC	Peekskill Fitness Group, LLC	Membership Interest		100%
Pla-Fit Health, L.L.C.	Pla-Fit Colorado, LLC	Membership Interest		100%
Planet Intermediate, LLC	Planet Fitness Holdings, LLC	Membership Interest		100%
Planet Fitness Holdings, LLC	T.R. World Gym, LLC	Membership Interest		100%
PFCA LLC	Blast Fitness LLC	Membership Interest		100%
Planet Fitness Holdings, LLC	Pla-Fit Canada Inc.	Common Stock	Certificated	100%

The following guarantees of third party leases:

<u>Guarantor</u>	<u>Name of Obligor</u>	<u>Location (if applicable)</u>	<u>Guaranteed Principal Balance</u>
Pla-Fit Health, L.L.C.	Planet Fitness of West Market, LLC	4640 West Market Street, Greensboro, NC 27407	337,067
Pla-Fit Health, L.L.C.	PF-Bristol, LLC	Bristol, CT	1,902,926
Pla-Fit Health, L.L.C.	PF Eagle, LLC	Coventry, RI	342,144
Pla-Fit Health, L.L.C.	PF Birdie, LLC	Woonsocket, RI	716,833

Total as of as of December 31, 2013: \$3,298,970

The following notes receivable from other parties are outstanding as of the Effective Date:

<u>Creditor</u>	<u>Debtor</u>	<u>Balance as of 12/31/13</u>	<u>Maturity Date</u>
Pla-Fit Franchise	PF Maine, Inc.	\$ 387,000	07/01/15
Pla-Fit Franchise	PF Iowa, LLC	\$ 335,670	10/01/14
Pla-Fit Health	PF Eagle, Inc & PF Birdie, Inc.	\$ 1,400,726	07/01/15
Pla-Fit Franchise	PFFG Springfield, LLC	\$ 2,061,428	10/01/14

SCHEDULE 6.05(p)

Dispositions

None.

SCHEDULE 6.09

Affiliate Transactions

None.

SCHEDULE 6.10

Existing Restrictions

None.

EXHIBIT A

[FORM OF]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this “**Assignment and Assumption**”) is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the “**Assignor**”) and [*Insert name of Assignee*] (the “**Assignee**”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit and guarantees and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and other rights of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by the Assignor to the Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as the “**Assigned Interest**”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____
2. Assignee: _____
[and is an Affiliate/Approved Fund of [*identify Lender*] ¹]
Assignee is an Affiliated Lender (Y/N)
3. Borrower: _____
4. Administrative Agent: JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement

¹ Select as applicable.

5. Credit Agreement: The Amended and Restated Credit Agreement dated as of March 31, 2014, among Planet Intermediate, LLC, as Holdings, Planet Fitness Holdings, LLC, as the Borrower, the other Loan Parties party thereto, the Lenders and the other financial institutions party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders

6. Assigned Interest:

Facility Assigned ²	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans ³
	\$	\$	%
	\$	\$	%
	\$	\$	%

Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including Federal and state securities laws.

² Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Commitment," "Term Commitment," etc.).

³ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Name: _____
Title: _____

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Name: _____
Title: _____

[Consented to and] 4 Accepted:

JPMORGAN CHASE BANK, N.A. , as
Administrative Agent

By: _____
Name: _____
Title: _____

[Consented to:] 5

[**NAME OF RELEVANT PARTY**]

By: _____
Name: _____
Title: _____

4 To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.
5 To be added only if the consent of the Borrower and/or other parties (e.g. Swingline Lender, Issuing Bank) is required by the terms of the Credit Agreement.

ANNEX 1 to ASSIGNMENT AND ASSUMPTION

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties .

1.1. Assignor . The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates, or any other Person of any of their respective obligations under any Loan Documents.

1.2. Assignee . The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements under Section 9.04 of the Credit Agreement (subject to such consents, as may be required under Section 9.04(b) of the Credit Agreement), (iii) from and after the Effective Date referred to in this Assignment and Assumption, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, (v) if it is an Affiliated Lender, it has indicated its status as such in the space provided on the first page of this Assignment and Assumption, and it does not possess material non-public information with respect to Holdings and its Subsidiaries or the securities of any of them that has not been disclosed to the Lenders generally (other than Lenders who elect not to receive such information), and (vi) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments . From and after the Effective Date referred to in this Assignment and Assumption, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions . This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by fax or other electronic means shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the laws of the State of New York.

EXHIBIT B

[FORM OF]

BORROWING REQUEST

Date: [], 20[]

To: JPMorgan Chase Bank, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to the Amended and Restated Credit Agreement dated as of March 31, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among Planet Intermediate, LLC, as Holdings, Planet Fitness Holdings, LLC, as the Borrower, the other Loan Parties party thereto, the Lenders and other financial institutions party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders. Capitalized terms used but not defined herein have the meanings given to such terms in the Credit Agreement.

Pursuant to Section [2.03] [2.08] of the Credit Agreement, the undersigned, a responsible officer of the Borrower, hereby requests a:

- ☐ A Term Borrowing ☐ A Revolving Borrowing ☐ A conversion of a Borrowing from one Type to another ☐ A continuation of Eurodollar Borrowing

1. On _____ (a Business Day).
2. In the aggregate principal amount of \$ _____ .
3. With a rate of interest determined by reference to the [Alternate Base Rate/LIBO Rate]
4. For LIBO Rate Borrowings: with an Interest Period of _____ months (such Interest Period to comply with the provisions of the definition of “**Interest Period**”).
5. Funds are requested to be disbursed pursuant to the following wire instructions:

The undersigned hereby further certifies that as of the date of such Borrowing, the conditions set forth in Sections 4.02(a) and 4.02(b) of the Credit Agreement are satisfied.

[Signature Page Follows]

PLANET FITNESS HOLDINGS, LLC

By: _____
Name: _____
Title: _____

EXHIBIT C-1

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Credit Agreement dated as of March 31, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among Planet Intermediate, LLC, as Holdings, Planet Fitness Holdings, LLC, as the Borrower, the other Loan Parties party thereto, the Lenders and other financial institutions party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and Beneficial Owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a “disregarded entity” for U.S. federal income tax purposes, (iii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iv) it is not a 10 percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) or Section 881(c)(3)(B) of the Code, (v) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code and (vi) no payments made to it in connection with the credit agreement or other Loan Documents are effectively connected with the undersigned’s conduct of a U.S. trade or business.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent in writing, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name: _____
Title: _____

Date: _____, 20[]

EXHIBIT C-2

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of March 31, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among Planet Intermediate, LLC, as Holdings, Planet Fitness Holdings, LLC, as the Borrower, the other Loan Parties party thereto, the Lenders and other financial institutions party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and Beneficial Owner of the participation in respect of which it is providing this certificate, (ii) it is not a “disregarded entity” for U.S. federal income tax purposes, (iii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iv) it is not a 10 percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) or Section 881(c)(3)(B) of the Code, (v) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code and (vi) no payments made to it in connection with the credit agreement or other Loan Documents are effectively connected with the undersigned’s conduct of a U.S. trade or business.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name: _____
Title: _____

Date: , 20[]

EXHIBIT C-3

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of March 31, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among Planet Intermediate, LLC, as Holdings, Planet Fitness Holdings, LLC, as the Borrower, the other Loan Parties party thereto, the Lenders and other financial institutions party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) it is classified as a partnership for U.S. federal income tax purposes, (iii) its direct or indirect partners/members are the sole Beneficial Owners of such participation, (iv) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (v) none of its direct or indirect partners/members is a 10 percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) or Section 881(c)(3)(B) of the Code, (vi) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code and (vii) no payments made to it in connection with the Credit Agreement or other Loan Documents are effectively connected with the conduct of a U.S. trade or business of the undersigned or its direct or indirect partners.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's Beneficial Owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name: _____
Title: _____

Date: _____, 20[]

EXHIBIT C-4

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of March 31, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among Planet Intermediate, LLC, as Holdings, Planet Fitness Holdings, LLC, as the Borrower, the other Loan Parties party thereto, the Lenders and other financial institutions party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is classified as a partnership for U.S. federal income tax purposes, (iii) its direct or indirect partners/members are the sole Beneficial Owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iv) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (v) none of its direct or indirect partners/members is a 10 percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) or Section 881(c)(3)(B) of the Code, (vi) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code and (vii) no payments made to it in connection with the Credit Agreement or other Loan Documents are effectively connected with the conduct of a U.S. trade or business of the undersigned or its direct or indirect partners.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's Beneficial Owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name: _____
Title: _____

Date: _____, 20[]

EXHIBIT D

FINANCIAL OFFICER CERTIFICATE

COMPLIANCE CERTIFICATE

To: The Lenders parties to the
Credit Agreement described below

This Compliance Certificate is furnished pursuant to that certain Amended and Restated Credit Agreement dated as of March 31, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among Planet Intermediate, LLC, as Holdings, Planet Fitness Holdings, LLC, as the Borrower, the other Loan Parties party thereto, the Lenders and other financial institutions party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected _____ of the Borrower;
2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements [**for quarterly financial statements add:** and such financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Restricted Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes];
3. The examinations described in paragraph 2 did not disclose, except as set forth below, and I have no knowledge of the existence of any condition or event which constitutes a Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate;
4. I hereby certify that no Loan Party has changed (i) its name, (ii) its chief executive office, (iii) principal place of business, (iv) the type of entity it is or (v) its state of incorporation or organization without having given the Administrative Agent the notice required by Section 4.15 of the Security Agreement;
5. Schedule I attached hereto sets forth financial data and computations evidencing the Borrower’s compliance with certain covenants of the Credit Agreement, all of which data and computations are true, complete and correct; and
6. Schedule II hereto sets forth the computations necessary (including, but not limited to, Total Leverage Ratio and Total Net Leverage Ratio) to determine the Applicable Rate commencing on the Business Day this Compliance Certificate is delivered.

Described below are the exceptions, if any, to paragraph 3 hereof by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in Schedule I and Schedule II hereto and the financial statements delivered with this Compliance Certificate in support hereof, are made and delivered this day _____ of _____, _____.

By: _____
Name: _____
Title: _____

SCHEDULE I

Compliance as of _____, with
Provisions of Section 6.12 of the Credit Agreement

SCHEDULE II

Borrower's Applicable Rate Calculation

EXHIBIT E

[FORM OF]

JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this “**Agreement**”), dated as of [], is entered into between Planet Fitness Holdings, LLC, , a (the “**New Subsidiary**”) and JPMorgan Chase Bank, N.A., in its capacity as administrative agent (the “**Administrative Agent**”) under that certain Amended and Restated Credit Agreement dated as of March 31, 2014 (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) among Planet Intermediate, LLC, as Holdings, Planet Fitness Holdings, LLC, as the Borrower, the other Loan Parties party thereto, the Lenders and other financial institutions from time to time party thereto and the Administrative Agent for the Lenders. All capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Credit Agreement.

The New Subsidiary and the Administrative Agent, for the benefit of the Lenders, hereby agree as follows:

1. The New Subsidiary hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the New Subsidiary will be deemed to be a Loan Party under the Credit Agreement and a “Loan Guarantor” for all purposes of the Credit Agreement and shall have all of the obligations of a Loan Party and a Loan Guarantor thereunder as if it had executed the Credit Agreement. The New Subsidiary hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit Agreement, including without limitation (a) all of the representations and warranties of the Loan Parties set forth in Article III of the Credit Agreement, (b) all of the covenants set forth in Articles V and VI of the Credit Agreement and (c) all of the guaranty obligations set forth in Article X of the Credit Agreement. Without limiting the generality of the foregoing terms of this paragraph 1, the New Subsidiary hereby guarantees, jointly and severally with the other Loan Guarantors, to the Administrative Agent and the Lenders, as provided in Article X of the Credit Agreement, the prompt payment and performance of the Guaranteed Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise) strictly in accordance with the terms thereof and agrees that if any of the Guaranteed Obligations are not paid or performed in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise), the New Subsidiary will, jointly and severally together with the other Loan Guarantors, promptly pay and perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

2. If required, the New Subsidiary is, simultaneously with the execution of this Agreement, executing and delivering such Collateral Documents (and such other documents and instruments) as requested by the Administrative Agent in accordance with the Credit Agreement.

3. The address of the New Subsidiary for purposes of Section 9.01 of the Credit Agreement is as follows:

4. The New Subsidiary hereby waives acceptance by the Administrative Agent and the Lenders of the guaranty by the New Subsidiary upon the execution of this Agreement by the New Subsidiary.

5. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute one and the same instrument.

6. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the New Subsidiary has caused this Agreement to be duly executed by its authorized officer, and the Administrative Agent, for the benefit of the Lenders, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

PLANET FITNESS HOLDINGS, LLC

By: _____
Name: _____
Title: _____

[NEW SUBSIDIARY]

By: _____
Name: _____
Title: _____

Acknowledged and accepted:

JPMORGAN CHASE BANK, N.A. , as
Administrative Agent

By: _____
Name: _____
Title: _____

EXHIBIT F

[FORM OF]

INTERCOMPANY NOTE

New York, New York

Date: , 20[]

FOR VALUE RECEIVED, each of the undersigned, to the extent a borrower from time to time with respect to any loan or advance (including trade payables) (a “**Loan**”) from any other entity listed on the signature page (each, in such capacity, a “**Payor**”), hereby promises to pay to such other entity listed below (each, in such capacity, a “**Payee**”), at the time specified on the schedule attached hereto with respect to such loan (or if there is no such schedule, on demand), and in lawful money of the United States of America, or in such other currency as agreed to by such Payor and such Payee, in immediately available funds, at such location as a Payee shall from time to time designate, the unpaid principal amount of all Loans made by such Payee to such Payor. Each Payor promises also to pay interest on the unpaid principal amount of all such loans and advances in like money at said location from the date of such loans and advances until paid at such rate per annum as shall be reflected on the schedule or as otherwise agreed upon from time to time by such Payor and such Payee. The terms and conditions of one or more Loans may be set forth on a schedule to be attached to this note (“**Note**”) to memorialize the agreement of the Payor and Payee with respect to such Loan(s), in which case the terms and conditions specified in the schedule shall govern as between the Payor and Payee; provided, that such terms and conditions may not be inconsistent with the provisions of this Note.

This Note is an intercompany note referred to in that certain Amended and Restated Credit Agreement, dated as of March 31, 2014 (as amended, restated, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the “**Credit Agreement**”; the terms defined therein being used herein as therein defined), among PLANET FITNESS HOLDINGS, LLC, a New Hampshire limited liability company (the “**Borrower**”), PLANET INTERMEDIATE, LLC, a Delaware limited liability company (“**Holdings**”), the other Loan Parties party thereto, the lenders and other financial institutions party thereto and JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the “**Administrative Agent**”), and is subject to the terms thereof, and shall be pledged by each Payee pursuant to the Amended and Restated Pledge and Security Agreement, to the extent required pursuant to the terms thereof. Each Payee hereby acknowledges and agrees that after the occurrence and during the continuance of an Event of Default and after notice from the Administrative Agent to such Payee (provided that no such notice shall be required to be given in the case of any Event of Default arising under Section 7.01(h) or 7.01(i) of the Credit Agreement), the Administrative Agent may exercise any and all rights of any Loan Party with respect to this Note.

Anything in this Note to the contrary notwithstanding, the indebtedness evidenced by this Note owed by any Payor that is a Loan Party to any Payee that is not a Loan Party shall be subordinate and junior in right of payment, to the extent and in the manner hereinafter set forth, to all Secured Obligations of such Payor until the payment in full in cash of all Secured Obligations of such Payor; provided, that solely to the extent expressly permitted by the terms of the Credit Agreement, each Payor may make payments to the applicable Payee unless an Event of Default shall have occurred and be continuing and such Payor shall have received notice from the Administrative Agent (provided, that no such notice shall be required to be given in the case of any Event of Default arising under Section 7.01(h) or 7.01(i) of the Credit Agreement) (such Secured Obligations and other indebtedness and obligations in connection with any renewal, refunding, restructuring or refinancing thereof, including interest thereon accruing after the commencement of any proceedings referred to in clause (i) below, whether or not such interest is an allowed claim in such proceeding, being hereinafter collectively referred to as “**Senior Indebtedness**”):

in the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization or other similar proceedings in connection therewith, relative to any Payor or to its creditors, as such, or to its property, and in the event of any proceedings for voluntary liquidation, dissolution or other winding up of such Payor, whether or not involving insolvency or bankruptcy, then, if an Event of Default has occurred and is continuing, (x) the holders of Senior Indebtedness shall be paid in full in cash in respect of all amounts constituting Senior Indebtedness before any Payee that is not a Loan Party is entitled to receive (whether directly or indirectly), or make any demands for, any payment on account of this Note and (y) until the holders of Senior Indebtedness are paid in full in cash in respect of all amounts constituting Senior Indebtedness, any payment or distribution to which such Payee would otherwise be entitled (other than (A) equity securities or (B) debt securities of such Payor that are subordinated, to at least the same extent as this Note, to the payment of all Senior Indebtedness then outstanding (such securities being hereinafter referred to as “**Restructured Debt Securities**”)) shall be made to the holders of Senior Indebtedness;

if any Event of Default has occurred and is continuing and after notice from the Administrative Agent (provided that no such notice shall be required to be given in the case of any Event of Default arising under Section 7.01(h) or 7.01(i) of the Credit Agreement), then no payment or distribution of any kind or character shall be made by or on behalf of any Payor that is a Loan Party or any other Person on its behalf with respect to this Note owed to any Payee that is not a Loan Party, unless otherwise agreed in writing by the Administrative Agent in its reasonable discretion; and

if any payment or distribution of any character, whether in cash, securities or other property (other than Restructured Debt Securities), in respect of this Note shall (despite these subordination provisions) be received by any Payee in violation of clause (i) or (ii) before all Senior Indebtedness shall have been paid in full in cash, such payment or distribution shall be held in trust for the benefit of, and shall be paid over or delivered to, the holders of Senior Indebtedness (or their representatives), ratably according to the respective aggregate amounts remaining unpaid thereon, to the extent necessary to pay all Senior Indebtedness in full in cash.

To the fullest extent permitted by law, no present or future holder of Senior Indebtedness shall be prejudiced in its right to enforce the subordination of this Note by any act or failure to act on the part of any Payor or by any act or failure to act on the part of such holder or any trustee or agent for such holder. Each Payee and each Payor hereby agree that the subordination of this Note is for the benefit of the Administrative Agent, each Issuing Bank and the Lenders and the Administrative Agent, each Issuing Bank and the Lenders are obligees under this Note to the same extent as if their names were written herein as such and the Administrative Agent may, on behalf of itself, each Issuing Bank and the Lenders, proceed to enforce the subordination provisions herein.

The indebtedness evidenced by this Note owed by any Payor that is not a Loan Party or any Payor that is a Loan Party, in each case, to any Payee that is a Loan Party shall not be subordinated to, and shall rank *pari passu* in right of payment with, any other obligation of such Payor.

Nothing contained in the subordination provisions set forth above is intended to or will impair, as between each Payor and each Payee, the obligations of such Payor, which are absolute and unconditional, to pay to such Payee the principal of and interest on this Note as and when due and payable in accordance with its terms, or is intended to or will affect the relative rights of such Payee and other creditors of such Payor other than the holders of Senior Indebtedness.

Each Payee is hereby authorized to record all loans and advances made by it to any Payor (all of which shall be evidenced by this Note), and all repayments or prepayments thereof, in its books and records, such books and records constituting prima facie evidence of the accuracy of the information contained therein. For the avoidance of doubt, this Note as between each Payor and each Payee contains additional terms to any intercompany loan agreement between them and this Note does not in any way replace such intercompany loans between them nor does this Note in any way change the principal amount of any intercompany loans between them.

Each Payor hereby waives presentment, demand, protest or notice of any kind in connection with this Note. All payments under this Note shall be made without offset, counterclaim or deduction of any kind.

This Note shall be binding upon each Payor and its successors and assigns, and the terms and provisions of this Note shall inure to the benefit of each Payee and its successors and assigns, including subsequent holders hereof.

From time to time after the date hereof, and as reflected on the schedule, additional subsidiaries of Borrower may become parties hereto (as Payor and/or Payee, as the case may be) by executing a counterpart signature page to this Note (each additional subsidiary, an “**Additional Party**”). Upon delivery of such counterpart signature page to the Payees, notice of which is hereby waived by the other Payors, each Additional Party shall be a Payor and/or a Payee, as the case may be, and shall be as fully a party hereto as if such Additional Party were an original signatory hereof. Each Payor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Payor or Payee hereunder. This Note shall be fully effective as to any Payor or Payee that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Payor or Payee hereunder.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Signature Page Follows]

[]
as Payee and Payor

By:

Name:

Title:

AMENDMENT NO. 1 TO AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

March 31, 2014

and amended as of March 31, 2015

among

PLANET INTERMEDIATE, LLC,
as Holdings,

PLANET FITNESS HOLDINGS, LLC,
as Borrower,

The Lenders Party Hereto

- and-

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

J.P. MORGAN SECURITIES LLC, BMO CAPITAL MARKETS CORP., GUGGENHEIM SECURITIES HOLDINGS, LLC, JEFFERIES
FINANCE LLC and U.S. BANK NATIONAL ASSOCIATION,
as Joint Bookrunners and Joint Lead Arrangers

AMENDMENT NO. 1 TO AMENDED AND RESTATED CREDIT AGREEMENT, dated as of March 31, 2015 (this “First Amendment”), among PLANET INTERMEDIATE, LLC, a Delaware limited liability company (“Holdings”), PLANET FITNESS HOLDINGS, LLC, a New Hampshire limited liability company (the “Borrower”), the Lenders party hereto and JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the “Administrative Agent”).

WHEREAS, Holdings, the Borrower, the other Loan Parties, the Lenders and the Administrative Agent are party to that certain Credit Agreement dated as of March 31, 2014 (the “Credit Agreement”) (unless otherwise specified, all other capitalized terms not otherwise defined herein shall have the meanings set forth in the Credit Agreement);

WHEREAS, the Borrower and the Lenders party hereto have agreed to amend the Credit Agreement, but only on the terms and conditions herein set forth;

NOW, THEREFORE, in consideration of the premises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. Credit Agreement Amendments . Subject to the terms and conditions set forth in this First Amendment, effective on the First Amendment Effective Date (as defined below):

Section 1.1. Each of the undersigned Lenders irrevocably agrees to amend the Credit Agreement as provided in Section 2 hereof to provide for (a) the New Term Commitments in the aggregate principal amount of \$120,000,000 (the “Additional Term Commitments”, the loans provided thereunder, the “Additional Term Loans” and the Lenders providing such Additional Term Commitments, the “Additional Term Lenders”) and (b) the other changes set forth on Exhibit A hereto (each such change, together with the modification set forth in the preceding clause (a) , each an “Amendment” and collectively, the “Amendments”).

Section 1.2. The Additional Term Loans shall constitute “Term Loans” for all purposes under the Credit Agreement and except as modified pursuant to Section 1.1 hereof, the Term Loans issued and outstanding immediately prior to First Amendment Effective Date shall remain outstanding and shall be continued.

Section 2. Amendments .

Section 2.1. The Credit Agreement is, from and after the First Amendment Effective Date, hereby 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 Exhibit A hereto, except that any Schedule or Exhibit to the Credit Agreement not amended pursuant to the terms of this First Amendment or otherwise included as part of said Exhibit A shall remain in effect without any amendment or other modification thereto.

Section 2.2. The Credit Agreement is, effective as of the First Amendment Effective Date, hereby further amended by amending the Commitment Schedule thereto to reflect the amount of Additional Term Commitments on Annex 1 hereto.

Section 3. Use of Proceeds . The Borrower shall use the proceeds of the Additional Term Loans to effect the 2015 Special Distribution and pay fees and expenses incurred in connection therewith.

Section 4. Taxes . For purposes of determining withholding Taxes imposed under FATCA, from and after the First Amendment Effective Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Additional Term Loans as not qualifying as a “grandfathered obligation” within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

Section 5. Conditions to Effectiveness of Amendments . This First Amendment and the Amendments set forth in Section 2 shall become effective on the date (the “ First Amendment Effective Date ”) on which each of the following conditions are satisfied or waived by each applicable party:

(A) the Administrative Agent shall have received a solvency certificate signed by a Financial Officer dated the First Amendment Effective Date in form and substance reasonably satisfactory to the Administrative Agent;

(B) the Administrative Agent shall have received (1) a certificate of each Loan Party, dated the First Amendment Effective Date and executed by a responsible officer of such Loan Party, which shall (a) certify the resolutions of its Board of Directors, members or other body authorizing the execution, delivery and performance of this First Amendment and the Acknowledgment and Agreement to which it is a party, (B) identify by name and title and bear the signatures of the Financial Officers and any other officers of such Loan Party authorized to sign this First Amendment and the Acknowledgment and Agreement to which it is a party, and (C) contain appropriate attachments, including the certificate or articles of incorporation or organization of each Loan Party certified by the relevant authority of the jurisdiction of organization of such Loan Party and a true and correct copy of each Loan Party’s by-laws or operating, management or partnership agreement, or a certification by an authorized officer of such Loan Party that the applicable organizational documents delivered in connection with the initial funding on the Effective Date, remain in full force and effect and have not been amended, modified, revoked or rescinded since the Effective Date, as applicable and (ii) a long form good standing certificate for each Loan Party from its jurisdiction of organization;

(C) no Default or Event of Default has occurred and is continuing or shall result upon the First Amendment Effective Date;

(D) the Administrative Agent shall have received an executed written opinion of Ropes & Gray LLP, New York counsel to the Loan Parties and an executed written opinion of Pierce Atwood LLP, New Hampshire counsel to the Loan Parties organized in New Hampshire, which shall be customary for transactions of this type in form and substance reasonably satisfactory to the Administrative Agent;

(E) the Administrative Agent shall have received a certificate signed by a responsible officer of the Borrower certifying that (1) the conditions precedent set forth in Section 4.02 of the Credit Agreement have been satisfied both before and after giving effect to this First Amendment and the Additional Term Loans provided hereby and (2) the Additional Term Loans have been made on the terms and conditions provided for in the Credit Agreement;

(F) the Administrative Agent shall have received executed signature pages to this First Amendment from Holdings and the Borrower;

(G) the Administrative Agent shall have received (i) with respect to the effectiveness of the Amendment to Section 6.12 of the Credit Agreement, the consent of the Required Revolving Lenders and (ii) with respect to the effectiveness of any other Amendment, the consent of the Required Lenders, in each case as is required pursuant to Section 9.02 of the Credit Agreement in respect of each such Amendment; and

(H) the Administrative Agent shall have received executed signature pages to the Acknowledgment and Agreement (the “Acknowledgment and Agreement”) attached hereto as Exhibit B, from each of the Persons (other than the Borrower and Holdings) who are or are required by the Loan Documents to be Loan Guarantors.

Section 6. Representations and Warranties. Each of Holdings and the Borrower hereby represents and warrants to the Lenders as of the date hereof that the representations and warranties set forth in the Credit Agreement and in the other Loan Documents are true and correct in all material respects on and as of First Amendment Effective Date with the same effect as though such representations and warranties had been made on and as of the First Amendment Effective Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date.

Section 7. Counterparts. This First Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all of which when taken together shall constitute a single instrument. Delivery of an executed counterpart of a signature page of this First Amendment by facsimile or other electronic transmission (i.e. a “PDF” or “TIF”) shall be effective as delivery of a manually executed counterpart hereof.

Section 8. Applicable Law. **THIS FIRST AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

Section 9. Headings. The headings of this First Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

Section 10. Notices. All communications and notices hereunder shall be given as provided in the Credit Agreement or, as the case may be, the Guarantee and Collateral Agreement.

Section 11. Severability. The fact that any term or provision of this First Amendment is held invalid, illegal or unenforceable as to any person in any situation in any jurisdiction shall not affect the validity, enforceability or legality of the remaining terms or provisions hereof or the validity, enforceability or legality of such offending term or provision in any other situation, or jurisdiction or as applied to any person.

Section 12. Successors. The terms of this First Amendment shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

Section 13. Effect of Amendments. Except as expressly set forth herein, this First Amendment and the Amendments set forth herein shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders 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 provision of either such agreement or any other Loan Document, and each of Holdings and the Borrower acknowledges and agrees that, other than as expressly amended, 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 First Amendment or the Amendments set forth herein. Each and every term, condition, obligation, covenant and agreement contained in the Credit Agreement or any other Loan Document is hereby ratified and reaffirmed in all respects and shall continue in full force and effect. Each of Holdings and the Borrower ratifies and reaffirms its obligations under the Loan Documents to which it is party, the Liens granted by it pursuant to the Security Agreement, which continue to secure the Obligations, and with respect to Holdings, its Guaranteed Obligations pursuant to Section 10.01 of the Credit Agreement. From and after the effective date of this First Amendment, all references to the Credit Agreement in any Loan Document shall, unless expressly provided otherwise, refer to the Credit Agreement as amended by this First Amendment. In entering into this First Amendment, each Lender has undertaken its own analysis and has not relied on any other Lender in making its decision to enter into this First Amendment. This First Amendment constitutes a Loan Document. The Borrower agrees to pay all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent and the Arrangers in connection with the preparation, execution, delivery and administration of this First Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable fees and expenses of counsel for the Administrative Agent) in accordance with the terms of Section 9.03 of the Credit Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed as of the date first above written.

PLANET INTERMEDIATE, LLC

By: /s/ Pierre LeComte

Name: Pierre LeComte

Title: President

PLANET FITNESS HOLDINGS, LLC

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Chief Executive Officer

[Planet Fitness – Signature Page to Amendment No. 1 to A&R Credit Agreement]

JPMORGAN CHASE BANK, N.A. , as an Additional
Term Lender and as a Lender

By: /s/ Peter M. Killea
Name: Peter M. Killea
Title: Vice President

[Planet Fitness – Signature Page to Amendment No. 1 to A&R Credit Agreement]

Acknowledged and Accepted :

JPMORGAN CHASE BANK, N.A. , as
Administrative Agent

By: /s/ Peter M. Killea

Name: Peter M. Killea

Title: Vice President

[Planet Fitness – Signature Page to Amendment No. 1 to A&R Credit Agreement]

Amended Credit Agreement

MARKED VERSION REFLECTING CHANGES
PURSUANT TO AMENDMENT NO. 1
DATED AS OF MARCH 31, 2015

ADDED TEXT SHOWN DOUBLE-UNDERLINED
DELETED TEXT SHOWN ~~STRIKETHROUGH~~



AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

March 31, 2014

and amended as of March 31, 2015

among

PLANET INTERMEDIATE, LLC,
as Holdings

PLANET FITNESS HOLDINGS, LLC,
as Borrower

The Other Loan Parties Party Hereto

The Lenders Party Hereto

- and -

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

J.P. MORGAN SECURITIES LLC, BMO CAPITAL MARKETS CORP., GUGGENHEIM SECURITIES
HOLDINGS, LLC, JEFFERIES FINANCE LLC and U.S. BANK NATIONAL ASSOCIATION,
as Joint Bookrunners and Joint Lead Arrangers

TABLE OF CONTENTS

	<u>Page</u>
Article I Definitions	1
SECTION 1.01 Defined Terms	1
SECTION 1.02 Classification of Loans and Borrowings	34
	<u>34</u>
SECTION 1.03 Terms Generally	34
	<u>34</u>
SECTION 1.04 Accounting Terms; GAAP	34
	<u>35</u>
SECTION 1.05 Pro Forma Adjustments for Acquisitions and Dispositions	35
	<u>35</u>
SECTION 1.06 Currency Generally	36
	<u>36</u>
Article II The Credits	36
	<u>36</u>
SECTION 2.01 Commitments	36
	<u>36</u>
SECTION 2.02 Loans and Borrowings	36
	<u>37</u>
SECTION 2.03 Requests for Borrowings	37
	<u>37</u>
SECTION 2.04 [Reserved]	38
	<u>38</u>
SECTION 2.05 Swingline Loans	38
	<u>38</u>
SECTION 2.06 Letters of Credit	39
	<u>39</u>
SECTION 2.07 Funding of Borrowings	42
	<u>43</u>
SECTION 2.08 Interest Elections	43
	<u>43</u>
SECTION 2.09 Termination and Reduction of Commitments	44
	<u>44</u>
SECTION 2.10 Repayment and Amortization of Loans; Evidence of Debt	45
	<u>45</u>
SECTION 2.11 Prepayment of Loans	46
	<u>46</u>
SECTION 2.12 Fees	48
	<u>48</u>
SECTION 2.13 Interest	49
	<u>49</u>
SECTION 2.14 Alternate Rate of Interest	50
	<u>50</u>
SECTION 2.15 Increased Costs	50
	<u>50</u>
SECTION 2.16 Break Funding Payments	51
	<u>51</u>

SECTION 2.17	Taxes	52
SECTION 2.18	Payments Generally; Allocation of Proceeds; Sharing of Set-offs	~~55~~ <u>55</u>
SECTION 2.19	Mitigation Obligations; Replacement of Lenders	~~57~~ <u>57</u>
SECTION 2.20	Defaulting Lenders	~~58~~ <u>58</u>
SECTION 2.21	Returned Payments	60
SECTION 2.22	Banking Services and Swap Agreements	~~60~~ <u>60</u>
SECTION 2.23	Increase in Commitments	~~60~~ <u>60</u>
SECTION 2.24	Refinancing Debt	64
SECTION 2.25	Extension of Loans	68

<u>Article III Representations and Warranties</u>	<u>70</u>
<u>SECTION 3.01 Organization; Powers</u>	<u>70</u>
<u>SECTION 3.02 Authorization; Enforceability</u>	<u>70</u>
<u>SECTION 3.03 Governmental Approvals; No Conflicts</u>	<u>71</u>
<u>SECTION 3.04 Financial Condition; No Material Adverse Change</u>	<u>71</u>
<u>SECTION 3.05 Properties</u>	<u>71</u>
<u>SECTION 3.06 Litigation and Environmental Matters</u>	<u>72</u>
<u>SECTION 3.07 Compliance with Laws and Agreements</u>	<u>72</u>
<u>SECTION 3.08 Investment Company Status</u>	<u>72</u>
<u>SECTION 3.09 Taxes</u>	<u>72</u>
<u>SECTION 3.10 ERISA</u>	<u>72</u>
<u>SECTION 3.11 Disclosure</u>	<u>72</u>
<u>SECTION 3.12 No Default</u>	<u>73</u>
<u>SECTION 3.13 Solvency</u>	<u>73</u>
<u>SECTION 3.14 Margin Regulations</u>	<u>73</u>
<u>SECTION 3.15 Capitalization and Subsidiaries</u>	<u>73</u>
<u>SECTION 3.16 Security Interest in Collateral</u>	<u>73</u>
<u>SECTION 3.17 Employment Matters</u>	<u>74</u>
<u>SECTION 3.18 USA PATRIOT Act 74 , Etc</u>	<u>75</u>
<u>SECTION 3.19 Embargoed Person</u>	<u>74</u>
<u>SECTION 3.20 [Reserved]</u>	<u>75</u>
<u>SECTION 3.21 Status as Senior Debt</u>	<u>75</u>
<u>Article IV Conditions</u>	<u>75</u>
<u>SECTION 4.01 Effective Date</u>	<u>75</u>
<u>SECTION 4.02 Each Credit Event</u>	<u>77</u>
<u>Article V Affirmative Covenants</u>	<u>78</u>
<u>SECTION 5.01 Financial Statements and Other Information</u>	<u>78</u>
<u>SECTION 5.02 Notices of Material Events</u>	<u>80</u>
<u>SECTION 5.03 Existence; Conduct of Business</u>	<u>81</u>
<u>SECTION 5.04 Payment of Obligations</u>	<u>81</u>
<u>SECTION 5.05 Maintenance of Properties</u>	<u>81</u>
<u>SECTION 5.06 Books and Records; Inspection Rights</u>	<u>81</u>
<u>SECTION 5.07 Compliance with Laws</u>	<u>82</u>
<u>SECTION 5.08 Use of Proceeds</u>	<u>82</u>
<u>SECTION 5.09 Insurance</u>	<u>82</u>

<u>SECTION 5.10</u>	<u>Maintenance of Ratings</u>	<u>82</u>
		<u>82</u>
<u>SECTION 5.11.</u>	<u>Post-Closing Actions</u>	<u>82</u>
		<u>82</u>
<u>SECTION 5.12</u>	<u>Additional Collateral; Further Assurances</u>	<u>82</u>
		<u>82</u>
<u>SECTION 5.13</u>	<u>Designation of Unrestricted Subsidiaries</u>	<u>83</u>
		<u>83</u>
<u>Article VI Negative Covenants</u>		<u>84</u>
		<u>84</u>
<u>SECTION 6.01</u>	<u>Indebtedness</u>	<u>84</u>
		<u>84</u>
<u>SECTION 6.02</u>	<u>Liens</u>	<u>87</u>
		<u>87</u>
<u>SECTION 6.03</u>	<u>Fundamental Changes</u>	<u>90</u>
		<u>90</u>
<u>SECTION 6.04</u>	<u>Investments, Loans, Advances, Guarantees and Acquisitions</u>	<u>91</u>
		<u>91</u>
<u>SECTION 6.05</u>	<u>Asset Sales</u>	<u>93</u>
		<u>93</u>
<u>SECTION 6.06</u>	<u>Sale and Leaseback Transactions</u>	<u>95</u>
		<u>95</u>
<u>SECTION 6.07</u>	<u>Swap Agreements</u>	<u>95</u>
		<u>95</u>
<u>SECTION 6.08</u>	<u>Restricted Payments; Certain Payments of Indebtedness</u>	<u>96</u>
		<u>95</u>
<u>SECTION 6.09</u>	<u>Transactions with Affiliates</u>	<u>97</u>
		<u>97</u>
<u>SECTION 6.10</u>	<u>Restrictive Agreements</u>	<u>98</u>
		<u>97</u>
<u>SECTION 6.11</u>	<u>Amendment of Material Documents</u>	<u>99</u>
		<u>98</u>
<u>SECTION 6.12</u>	<u>Financial Covenant</u>	<u>99</u>
		<u>98</u>
<u>Article VII Events of Default</u>		<u>99</u>
		<u>99</u>
<u>SECTION 7.01</u>	<u>Events of Default</u>	<u>99</u>
		<u>99</u>
<u>SECTION 7.02</u>	<u>Events of Default</u>	<u>102</u>
		<u>102</u>
<u>Article VIII The Administrative Agent</u>		<u>103</u>
		<u>102</u>
<u>SECTION 8.01</u>	<u>Appointment</u>	<u>103</u>
		<u>102</u>
<u>SECTION 8.02</u>	<u>Rights as a Lender</u>	<u>103</u>
		<u>103</u>
<u>SECTION 8.03</u>	<u>Duties and Obligations</u>	<u>103</u>
		<u>103</u>

<u>SECTION 8.04</u>	<u>Reliance</u>	<u>104</u>
		<u>103</u>
<u>SECTION 8.05</u>	<u>Actions through Sub-Agents</u>	<u>104</u>
		<u>104</u>
<u>SECTION 8.06</u>	<u>Resignation</u>	<u>104</u>
		<u>104</u>
<u>SECTION 8.07</u>	<u>Intercreditor and Subordination Agreements</u>	<u>105</u>
		<u>105</u>
<u>SECTION 8.08</u>	<u>Non-Reliance</u>	<u>105</u>
		<u>105</u>
<u>SECTION 8.09</u>	<u>Administrative Agent May File Proof of Claim</u>	<u>106</u>
		<u>105</u>
<u>Article IX</u>	<u>Miscellaneous</u>	<u>106</u>
		<u>106</u>
<u>SECTION 9.01</u>	<u>Notices</u>	<u>106</u>
		<u>106</u>
<u>SECTION 9.02</u>	<u>Waivers; Amendments</u>	<u>108</u>
		<u>107</u>
<u>SECTION 9.03</u>	<u>Expenses; Indemnity; Damage Waiver</u>	<u>110</u>
		<u>110</u>
<u>SECTION 9.04</u>	<u>Successors and Assigns</u>	<u>112</u>
		<u>111</u>

<u>SECTION 9.05</u>	<u>Survival</u>	<u>417</u>
		<u>116</u>
<u>SECTION 9.06</u>	<u>Counterparts; Integration; Effectiveness</u>	<u>417</u>
		<u>116</u>
<u>SECTION 9.07</u>	<u>Severability</u>	<u>417</u>
		<u>117</u>
<u>SECTION 9.08</u>	<u>Right of Setoff</u>	<u>417</u>
		<u>117</u>
<u>SECTION 9.09</u>	<u>Governing Law; Jurisdiction; Consent to Service of Process</u>	<u>418</u>
		<u>117</u>
<u>SECTION 9.10</u>	<u>WAIVER OF JURY TRIAL</u>	<u>418</u>
		<u>118</u>
<u>SECTION 9.11</u>	<u>Headings</u>	<u>419</u>
		<u>118</u>
<u>SECTION 9.12</u>	<u>Confidentiality</u>	<u>419</u>
		<u>118</u>
<u>SECTION 9.13</u>	<u>Several Obligations; Nonreliance; Violation of Law</u>	<u>419</u>
		<u>119</u>
<u>SECTION 9.14</u>	<u>USA PATRIOT Act</u>	<u>420</u>
		<u>119</u>
<u>SECTION 9.15</u>	<u>Disclosure</u>	<u>420</u>
		<u>119</u>
<u>SECTION 9.16</u>	<u>Appointment for Perfection</u>	<u>420</u>
		<u>119</u>
<u>SECTION 9.17</u>	<u>Interest Rate Limitation</u>	<u>420</u>
		<u>119</u>
<u>SECTION 9.18</u>	<u>No Advisory or Fiduciary Responsibility</u>	<u>420</u>
		<u>119</u>
<u>SECTION 9.19</u>	<u>Authorization to Distribute Certain Materials to Public-Siders</u>	<u>421</u>
		<u>120</u>
<u>SECTION 9.20</u>	<u>No Novation</u>	<u>421</u>
		<u>120</u>
<u>Article X</u>	<u>Loan Guaranty</u>	<u>422</u>
		<u>121</u>
<u>SECTION 10.01</u>	<u>Guaranty</u>	<u>422</u>
		<u>121</u>
<u>SECTION 10.02</u>	<u>Guaranty of Payment</u>	<u>422</u>
		<u>121</u>
<u>SECTION 10.03</u>	<u>No Discharge or Diminishment of Loan Guaranty</u>	<u>422</u>
		<u>121</u>
<u>SECTION 10.04</u>	<u>Defenses Waived</u>	<u>423</u>
		<u>122</u>
<u>SECTION 10.05</u>	<u>Rights of Subrogation</u>	<u>423</u>
		<u>122</u>
<u>SECTION 10.06</u>	<u>Reinstatement; Stay of Acceleration</u>	<u>423</u>
		<u>122</u>
<u>SECTION 10.07</u>	<u>Information</u>	<u>423</u>
		<u>123</u>

<u>SECTION 10.08</u>	<u>Continuing Guaranty</u>	<u>124</u>
		<u>123</u>
<u>SECTION 10.09</u>	<u>Taxes</u>	<u>124</u>
		<u>123</u>
<u>SECTION 10.10.</u>	<u>Maximum Liability</u>	<u>124</u>
		<u>123</u>
<u>SECTION 10.11</u>	<u>Contribution</u>	<u>124</u>
		<u>124</u>
<u>SECTION 10.12</u>	<u>Liability Cumulative</u>	<u>125</u>
		<u>124</u>

SCHEDULES :

Commitment Schedule

Schedule 1.01	Immaterial Subsidiaries
Schedule 3.05(a)	Property: Real Property
Schedule 3.05(b)	Property: Intellectual Property
Schedule 3.06(a)	Disclosed Matters: Litigation
Schedule 3.06(b)	Disclosed Matters: Environmental Matters
Schedule 3.15	Capitalization and Subsidiaries
Schedule 5.11	Post Closing Actions
Schedule 6.01	Existing Indebtedness
Schedule 6.02	Existing Liens
Schedule 6.04	Existing Investments
Schedule 6.05(p)	Dispositions
Schedule 6.09	Affiliate Transactions
Schedule 6.10	Existing Restrictions

EXHIBITS :

Exhibit A	Assignment and Assumption
Exhibit B	Form of Borrowing Request
Exhibit C-1	Form of U.S. Tax Compliance Certificate (For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)
Exhibit C-2	Form of U.S. Tax Compliance Certificate (For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)
Exhibit C-3	Form of U.S. Tax Compliance Certificate (For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)
Exhibit C-4	Form of U.S. Tax Compliance Certificate (For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)
Exhibit D	Financial Officer Certificate: Compliance Certificate
Exhibit E	Joinder Agreement
Exhibit F	Form of Global Intercompany Note
Exhibit G-1	Opinion of Ropes & Gray LLP, Counsel for the Loan Parties
Exhibit G-2	Opinion of Pierce Atwood LLP, Local Counsel for the Loan Parties

AMENDED AND RESTATED CREDIT AGREEMENT dated as of March 31, 2014 (as it may be amended or modified from time to time, this “Agreement”), among PLANET INTERMEDIATE, LLC, a Delaware limited liability company (“Holdings”), PLANET FITNESS HOLDINGS, LLC, a New Hampshire limited liability company (the “Borrower”), the other Loan Parties party hereto, the Lenders party hereto, and JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the “Administrative Agent”). The parties hereto agree as follows:

WHEREAS, the Borrower, Holdings, the Loan Guarantors, the Administrative Agent and the Lenders (as defined in the Existing Credit Agreement (as defined below)) are party to the Existing Credit Agreement;

WHEREAS, the Borrower has requested that the Administrative Agent and the Lenders amend and restate the Existing Credit Agreement to, among other things, provide for (a) \$430,000,000 senior secured credit facilities and (b) permit the Effective Date Transactions, in each case, on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Borrower, Holdings and the other Loan Guarantor have agreed to secure all of their Obligations under the Loan Documents by granting to the Administrative Agent, for the benefit of the Administrative Agent, the Lenders and the other Secured Parties, a first priority security interest in the Collateral;

WHEREAS, the Lenders are willing to make certain loans and other extensions of credit to the Borrower of up to such amounts upon the terms and conditions set forth herein; and

WHEREAS, all Schedules, Exhibits and other attachments hereto, or expressly identified to this Agreement, are incorporated herein by reference, and taken together with this Agreement, shall constitute but a single agreement. These Recitals shall be construed as part of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms . As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, is bearing interest at a rate determined by reference to the Alternate Base Rate.

“Account” has the meaning assigned to such term in the Security Agreement.

“Account Debtor” means any Person obligated on an Account.

“Acquisition” means the acquisition of the Borrower by Holdings pursuant to the Acquisition Agreement, including related transactions and any transactions consummated prior to December 14, 2012.

“ Acquisition Agreement ” means the Membership Interest Purchase Agreement, dated as of October 23, 2012, among TSG PF Investment L.L.C., Holdings and the sellers and the other parties party thereto.

“ Additional Lender ” has the meaning assigned to such term in Section 2.23 .

“ Adjusted LIBO Rate ” means, with respect to any Eurodollar Borrowing for any Interest Period an interest rate per annum equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; provided that in respect of the Term Loans only, Adjusted LIBO Rate shall not be less than 1.00% per annum.

“ Administrative Agent ” shall have the meaning provided in the first paragraph hereof.

“ Administrative Questionnaire ” means an administrative questionnaire in a form supplied by the Administrative Agent.

“ Affiliate ” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the specified Person.

“ Affiliated Lender ” has the meaning assigned to the term in Section 9.04 .

“ Aggregate Credit Exposure ” means, at any time, the aggregate Credit Exposure of all the Lenders at such time.

“ Aggregate Revolving Exposure ” means, at any time, the aggregate Revolving Exposure of all the Lenders at such time.

“ All-In Yield ” shall mean, as to any Indebtedness, the yield thereof, whether in the form of interest rate, margin, original issue discount, upfront fees, a Adjusted LIBO Rate floor or Alternate Base Rate floor, or otherwise, in each case, incurred or payable by the Borrower or another Loan Party generally to all lenders of such Indebtedness; provided that original issue discount and upfront fees shall be equated to interest rate assuming a 4-year life to maturity on a straight-line basis (e.g. 100 basis points of original issue discount equals 25 basis points of interest rate margin for a four year average life to maturity); and provided , further , that “All-In Yield” shall not include arrangement fees, structuring fees, commitment fees, underwriting fees and similar fees not generally shared with all lenders in the primary syndication of such Indebtedness.

“ Alternate Base Rate ” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the Adjusted LIBO Rate for a one-month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on the Reuters Screen LIBOR01 Page (or on any successor or substitute page) at approximately 11:00 a.m. London time on such day (without any rounding). Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

“ Applicable Percentage ” means, at any time with respect to any Revolving Lender, a percentage equal to a fraction, the numerator of which is such Lender’s Revolving Commitment and the denominator of which is the aggregate Revolving Commitments, in each case at such time; provided that for purposes of

Section 2.21 when a Defaulting Lender shall exist, “Applicable Percentage” shall mean the percentage of the aggregate Revolving Commitments (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment. If, however , the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“ Applicable Rate ” means a percentage per annum equal to: (a) (i) until delivery of financial statements and a related Compliance Certificate for the fiscal quarter ending December 31, 2014 pursuant to Section 5.01 , in respect of Term Loans that are (A) Eurodollar Loans, 3.75% and (B) ABR Loans, 2.75% (each of clauses (A) or (B) , as applicable the “ Term Loan Initial Margin ”) and (ii) thereafter, in connection with Term Loans (A) the Term Loan Initial Margin or (B) so long as the Total Leverage Ratio is less than 3.75 to 1.00, (1) that are Eurodollar Loans, 3.50% and (2) that are ABR Loans, 2.50% and (b) in respect of Revolving Loans and Revolving Commitments means, for any day, the applicable rate per annum set forth below under the caption “Revolving Commitment ABR Spread”, “Revolving Commitment Eurodollar Spread” or “Commitment Fee Rate”, as the case may be, based upon the Borrower’s Total Net Leverage Ratio as of the most recent determination date, provided that until the delivery to the Administrative Agent, pursuant to Section 5.01 , of the Borrower’s consolidated financial information for the Borrower’s first fiscal quarter ending after the Effective Date, the “Applicable Rate” in respect of Revolving Loans and Revolving Commitments shall be the applicable rates per annum set forth below in Category 1:

Total Net Leverage Ratio	Revolving Commitment ABR Spread	Revolving Commitment Eurodollar Spread	Commitment Fee Rate
<u>Category 1</u>			
> 4.00 to 1.00	2.25%	3.25%	0.45%
<u>Category 2</u>			
≤ 4.00 to 1.00 but > 3.00 to 1.00	2.0%	3.00%	0.40%
<u>Category 3</u>			
≤ 3.00 to 1.00	1.75%	2.75%	0.35%

For purposes of the foregoing clauses (a) and (b) , (i) the Applicable Rate shall be determined as of the end of each fiscal quarter of the Borrower, based upon the Borrower’s annual or quarterly consolidated financial statements delivered pursuant to Section 5.01 and (ii) each change in the Applicable Rate resulting from a change in the Total Leverage Ratio or Total Net Leverage Ratio, as applicable, shall be effective during the period commencing on and including the date of delivery to the Administrative Agent of such consolidated financial statements indicating such change and ending on the date immediately preceding the effective date of the next such change, provided that (x) at any time that an Event of Default under Section 7.01(a) , (b) , (h) or (i) has occurred and is continuing or (y) at the option of the Administrative Agent or at the request of the Required Lenders, if the Borrower fails to deliver the annual or quarterly consolidated financial statements required to be delivered by it pursuant to Section 5.01 , (x) the Total Leverage Ratio shall with respect to Term Loans be deemed to be equal to or greater than 3.75:1.00 and (y) the Total Net Leverage Ratio shall with respect to Revolving Loans and Revolving Commitments be deemed to be in Category 1, in each case, during the period from the expiration of the time for delivery thereof until such consolidated financial statements are delivered ; provided, further, that any increase or decrease to the Applicable Rate with respect to Term Loans resulting from a pro forma change in the Total Leverage Ratio as a result of the incurrence of the New Term Loans shall become effective as of the first Business Day immediately following the First Amendment Effective Date .

If at any time the Administrative Agent reasonably determines that the financial statements upon which the Applicable Rate was determined were incorrect (whether based on a restatement, fraud or otherwise), the Borrower shall be required to retroactively pay any additional amount that the Borrower would have been required to pay if such financial statements had been accurate at the time they were delivered.

“ Approved Fund ” has the meaning assigned to the term in Section 9.04 .

“ Assignment and Assumption ” means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“ Availability ” means, at any time, an amount equal to (a) the aggregate Revolving Commitments minus (b) the Aggregate Revolving Exposure.

“ Availability Period ” means the period from and including the Effective Date to but excluding the earlier of the Revolving Credit Maturity Date and the date of termination of the Revolving Commitments.

“ Available Amount ”, shall mean, on any date (the “ Determination Date ”), an amount equal to (a) the sum of, without duplication, cumulative amount equal to (which shall not be less than zero) (i) 50% of the Net Income of Holdings for the period (taken as one accounting period) from and after April 1, 2014 to the end of Holdings’ most recently ended fiscal quarter for which financial statements are required to be delivered under Section 5.01 , or, in the case such Net Income for such period is a deficit, minus 100% of such deficit, plus (ii) the cash proceeds of new public or private equity issuances of any parent of the Borrower or the Borrower (other than (x) the proceeds of Disqualified Capital Stock and (y) any contribution as a Cure Amount) to the extent the proceeds thereof are contributed to the Borrower as Qualified Capital Stock, plus , (iii) 100% of the aggregate amount of contributions to the common capital of the Borrower in respect of Qualified Capital Stock received in cash after the Effective Date (other than (x) the proceeds of Disqualified Capital Stock and (y) any contribution as a Cure Amount), (iv) the net cash proceeds to the Borrower and its Restricted Subsidiaries of sales of Investments made using the Available Amount, plus (v) returns, profits, distributions and similar amounts received in cash or cash equivalents by the Borrower and its Restricted Subsidiaries on Investments made using the Available Amount plus (vi) the aggregate amount of any Retained Declined Proceeds since the Effective Date minus (b) the sum of, without duplication: (i) the aggregate amount of Restricted Payments made by Holdings pursuant to Section 6.08(a)(vi) and Section 6.08(b)(v) on or prior to the Determination Date, plus (ii) the aggregate amount of any Investments made by the Borrower or any of its Restricted Subsidiaries pursuant to Section 6.04(m) on or prior to the Determination Date. For the avoidance of doubt, the Available Amount shall be permitted to be used as provided in this Agreement subject to compliance with Available Amount Usage Conditions for each such usage.

“ Available Amount Usage Conditions ” means, collectively, the satisfaction of each of the following conditions: (a) (i) with respect to the making of any Restricted Payments, the absence of any continuing Event of Default and (ii) with respect to the making of any Investments, (A) at the option of the Borrower in connection with an acquisition, both (x) the absence of any continuing Event of Default at the time of execution of the applicable contract or agreement for such Investment and (y) the absence of any continuing Event of Default under Sections 7.01(a) , (b) , (h) or (i) at the time of making such acquisition or (B) otherwise, the absence of any continuing Event of Default at the time of making such Investment; (b) at the time of and after giving effect to the usage of any portion of Available Amount for any Investments, pro forma compliance with the Total Net Leverage Ratio test set forth in Section 6.12 ; and (c) at the time of any Investment or Restricted Payment in excess of \$2,000,000, delivery by the Borrower to the Administrative Agent, of a certificate of a responsible officer demonstrating the calculation of the Available Amount both before and after giving effect to the usage of Available Amount.

“ Banking Services ” means each and any of the following bank services provided to any Loan Party or any Restricted Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, “commercial credit cards” and purchasing cards), (b) stored value cards, (c) merchant processing services, and (d) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

“ Banking Services Obligations ” means any and all obligations of the Loan Parties, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

“ Bankruptcy Event ” means, with respect to any Person, when such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided , further , that such ownership interest does not result in or provide such Person 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 Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“ Beneficial Owner ” means, with respect to any U.S. Federal withholding Tax, the beneficial owner, for U.S. Federal income tax purposes, to whom such Tax relates.

“ Board ” means the Board of Governors of the Federal Reserve System of the United States of America.

“ 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.

“ Borrower ” shall have the meaning provided in the first paragraph hereof.

“ Borrowing ” means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect, and (b) a Term Loan made on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect, and (c) a Swingline Loan.

“ Borrowing Request ” means a request by the Borrower for a Borrowing in accordance with Section 2.03 and substantially in the form of Exhibit B or such other form approved by the Administrative Agent.

“ Business Day ” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“ Capital Lease Obligations ” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“ Change in Control ” means (a) at any time prior to a Qualifying IPO (i) Holdings shall cease to own 100% of the outstanding voting Equity Interests of the Borrower on a fully diluted basis; (ii) Permitted Holders shall cease to beneficially own, directly or indirectly (and retain the right to vote), free and clear of all Liens or other encumbrances, at least a majority of the outstanding voting Equity Interests of Holdings on a fully diluted basis; or (iii) the acquisition of the power to elect a majority of the Board of Directors of Holdings by any Person or group other than Permitted Holders and (b) at any time after a Qualifying IPO, (x) any Person (other than the Permitted Holders) or (y) Persons (other than the Permitted Holders) constituting a “group” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), but excluding any employee benefit plan of such Person and its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, except that for purposes of this clause such Person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), becomes the “beneficial owner” (as defined in Rules 13(d)-3 and 13(d)-5 of the Exchange Act), directly or indirectly, of outstanding Equity Interests of the Borrower 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 Borrower beneficially owned, directly or indirectly, in the aggregate by the Permitted Holders, or (iii) Holdings shall cease to own 100% of the outstanding voting Equity Interests of the Borrower on a fully diluted basis.

“ Change in Law ” means the occurrence after the date of this Agreement (a) the adoption or taking effect of any law, rule, regulation or treaty, (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, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided however , that notwithstanding anything herein to the contrary (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case arising under clauses (i) or (ii) be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“ Charges ” has the meaning assigned to such term in Section 9.17 .

“ Class ”, when used in reference to (a) 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 (b) any Lender, refers to whether such Lender has a Loan or Commitment of a particular Class.

“ Code ” means the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” means any and all “Collateral”, as defined in any Collateral Document and any and all other property of any Loan Party, now existing or hereafter acquired, that may at any time be, become or purported to be, subject to a security interest or Lien in favor of the Administrative Agent, on behalf of itself and the Lenders and other holders of the Secured Obligations, to secure the Secured Obligations.

“Collateral Access Agreement” has the meaning assigned to such term in the Security Agreement.

“Collateral Documents” means, collectively, the Security Agreement, the Mortgages (if any) and any other documents pursuant to which a Person grants a Lien upon any real or personal property as security for payment of the Secured Obligations.

“Commitment” means, with respect to each Lender, the sum of such Lender’s Revolving Commitment and Term Commitment. The initial amount of each Lender’s Commitment is set forth on the Commitment Schedule, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable.

“Commitment Schedule” means the Schedule attached hereto identified as such.

“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.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated Total Assets” means, as of any date, the assets and properties of the Borrower and its Restricted Subsidiaries as of such date, determined on a consolidated basis in accordance with GAAP as set forth on the most recent consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 (and in the case of any determination relating to the permissibility of any proposed transaction hereunder, shall be calculated on a pro forma basis for any (i) acquisitions, (ii) dispositions and (iii) designations of a Subsidiary pursuant to Section 5.13 since such balance sheet date, including the proposed transaction (if applicable)).

“Control” means the possession, directly or indirectly, of the power to appoint the Board of Directors of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Controlled Affiliate” has the meaning assigned to such term in Section 3.18.

“Credit Exposure” means, as to any Lender at any time, the sum of (a) such Lender’s Revolving Exposure at such time plus (b) an amount equal to the aggregate principal amount of its Term Loans outstanding at such time.

“Credit Party” means the Administrative Agent, the Issuing Bank, the Swingline Lender or any other Lender.

“Cure Amount” has the meaning ascribed to it in Section 7.02.

“Cure Right” has the meaning ascribed to it in Section 7.02.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“ Defaulting Lender ” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s reasonable determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s reasonable determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after written request by a Credit Party, acting in good faith, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such receipt of such written confirmation by the Administrative Agent and the Borrower, or (d) has, or has a direct or indirect parent company that has, become the subject of a Bankruptcy Event, unless, in the case of this clause (d) , the Borrower and the Administrative Agent are reasonably satisfied that such Lender will remain capable of performing its obligations hereunder; 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. If the Swingline Lender or the Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Swingline Lender or the Issuing Bank, as the case may be, shall have entered into arrangements with the Borrower or such Lender, satisfactory to the Swingline Lender or the Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

“ Disclosed Matters ” means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.06 .

“ Disqualified Capital Stock ” means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, (a) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part within ninety one (91) days of the Term Maturity Date, (b) is secured by any assets of Holdings, the Borrower or any of its respective Restricted Subsidiaries, (c) is exchangeable or convertible at the option of the holder into debt securities or any other form of Indebtedness of Holdings, the Borrower or any of its respective Restricted Subsidiaries or (d) provides for the mandatory payment of dividends regardless of whether or not the board of directors has declared any dividends.

“ Disqualified Institutions ” means (i) those banks, financial institutions and other institutional lenders and persons (or related funds of any such persons) identified in writing by the Borrower prior to March 7, 2014 and (ii) any competitor of the Borrower and its subsidiaries and any controlled affiliate of such competitor identified in writing by the Borrower from time to time (other than their financial investors that are not operating companies or affiliates of operating companies and other than any affiliate that is a bona fide diversified debt fund that invests in newly issued syndicated loans and not in distressed debt or “opportunities”); provided that a Person that is identified in writing pursuant to clause (ii) shall only be deemed a Disqualified Institution from and after the date it has been identified in writing as a Disqualified Institution and any assignments and/or participations made to such Person prior to such time shall not be

invalidated as a result of such designation; provided further that, a Person shall only be deemed to be a Disqualified Institution if a list of Disqualified Institution has been made available to all Lenders by the Borrower.

“ Disregarded Domestic Subsidiary ” means any domestic Restricted Subsidiary that either (A) is a direct or indirect Restricted Subsidiary of a foreign Restricted Subsidiary or (B) substantially all of the assets of which consist directly or indirectly of interests in one or more foreign Restricted Subsidiaries.

“ Document ” has the meaning set forth in the Security Agreement.

“ dollars ” or “ \$ ” refers to lawful money of the United States of America.

“ EBITDA ” means, for any period, Net Income for such period plus (a) without duplication and solely to the extent deducted (and not added back or excluded) in determining Net Income for such period (other than clause (vi) and (vii)), the sum of (i) Interest Expense for such period, (ii) income tax expense for such period, including, without limitation, franchise or similar taxes, net of tax benefits (other than benefits payable to the sellers pursuant to the Acquisition Agreement), (iii) all amounts attributable to depreciation and amortization expense for such period, (iv) any other non-cash losses, expenses or charges for such period (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (1) the Borrower may determine not to add back such non-cash charge in the current period and (2) 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 EBITDA to such extent, (v) fees (including termination fees) and expenses paid or accrued pursuant to the Management Agreement, (vi) cash received in respect of a non-cash gain deducted from EBITDA pursuant to clause (b)(ii) below in a prior period, (vii) the amount of “run rate” net cost savings, operating expense reductions and revenue increases projected by the Borrower in good faith to result from actions taken prior to the date of determination of EBITDA (and which revenue increases must result from written contractual agreements entered into by the Borrower and its Subsidiaries with franchisees, vendors and other third parties prior to the date of determination of EBITDA) (calculated on a pro forma basis as though such cost savings, operating expense reductions and revenue increases, as applicable, had been realized on the first day of the period for which EBITDA is being determined and if such cost savings, operating expense reductions and revenue increases, as applicable, were realized during the entirety of such period), net of the amount of actual benefits realized during such period from such agreements that, a Financial Officer of the Borrower shall have certified to the Administrative Agent that such cost savings, operating expense reductions and synergies are reasonably identifiable and factually supportable (it being understood that any such adjustments shall be without duplication of cost savings or additional costs already deducted from net income, or included as an addback to EBITDA, for such period, including any Pro Forma Adjustments), (viii) the amount of any other extraordinary or non-recurring fees or cash charges, losses or expenses for such period, (ix) the amount of any severance costs, restructuring costs and business optimization expenses for such period, (x) any fees, charges and other expenses (including severance costs) made or incurred during such period, or any amortization thereof for such period, in connection with any acquisition or Investment, the Transactions, the Acquisition, the Effective Date Transactions, the issuance, repayment or amendment of Indebtedness (whether or not consummated), any disposition, or issuance of capital stock, including the capital stock of any parent company, and including, in each case, permitted to be incurred by this Agreement and whether or not successful or completed (that are paid or otherwise accounted for within 365 days of such transactions (or the proposed transactions to the extent not consummated), (xi) pre-opening and opening costs and expenses (including related consulting fees) not to exceed the greater of (A) \$5.0 million and (B) 6.25% of EBITDA for such period (giving pro forma effect to a Specified Transaction to the extent required or permitted pursuant to Section 1.05 and determined prior to giving effect to any adjustments pursuant to this clause (xi)), (xii) cash losses realized upon the sale, disposition or discontinuance of assets that are not sold or otherwise disposed of in the ordinary course of business, (xiii) cash payments in respect of earn outs

and contingent consideration obligations (including to the extent accounted for as bonus or otherwise), minus (b) without duplication and to the extent included in Net Income (other than clause (i)), (i) any cash payments made during such period in respect of non-cash charges described in clause (a) taken in a prior period, (ii) non-cash items increasing such Net Income for such period (other than any items which represent the reversal of any accrual of, or cash reserve for, anticipated charges in any prior period where such accrual or reserve is no longer required) and (iii) cash gains realized upon the sale, disposition or discontinuance of assets that are not sold or otherwise disposed of in the ordinary course of business, all calculated for the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP. Notwithstanding anything to the contrary herein, (x) for any period, the aggregate amount of adjustments pursuant to clauses (a)(vii) , (ix) and (xi) of the definition of EBITDA, shall not exceed 15% of EBITDA for such period (giving pro forma effect to a Specified Transaction to the extent required or permitted pursuant to Section 1.05 and determined prior to giving effect to any adjustments pursuant to clauses (a)(vii) , (ix) and (xi) of the definition of EBITDA).

“ Effective Date ” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

“ Effective Date Dividend ” has the meaning assigned to such term in the definition of “Effective Date Transactions”.

“ Effective Date Purchase ” has the meaning assigned to such term in the definition of “Effective Date Transactions”

“ Effective Date Transactions ” means each of the following: (a) on or after the Effective Date (but not later than 20 Business Days after the Effective Date (subject to extension at the Administrative Agent’s reasonable discretion, but not to exceed an additional 20 Business Days)), the making of a one-time cash dividend to Holdings’ equity holders in the amount of approximately (i) \$171,000,000 plus (ii) in the event the Effective Date Purchase is for a purchase price that is less than \$40,000,000 but greater than \$36,000,000, an amount equal to \$40,000,000 minus the actual purchase price for the Effective Date Purchase (for the avoidance of doubt, if the amount paid for the Effective Date Purchase is equal to or less than \$36,000,000, clause (ii) shall be zero) (the “ Effective Date Dividend ”) and (b) the consummation of the acquisition of certain clubs (and related assets) from existing franchisees, on or after the Effective Date (but not later than 20 Business Days after the Effective Date (subject to extension at the Administrative Agent’s reasonable discretion, but not to exceed an additional 20 Business Days)), for an amount not to exceed \$40,250,000 (the “ Effective Date Purchase ”).

“ Embargoed Person ” has the meaning assigned to such term in Section 3.19 .

“ Environmental Laws ” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to the extent relating to exposure to Hazardous Materials and human health.

“ Environmental Liability ” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Restricted Subsidiary directly or indirectly resulting from or based upon (a) any violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) any exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“ Equipment ” has the meaning assigned to such term in the Security Agreement.

“ Equity Interests ” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests (or other ownership or profit interests or units) in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest (including through convertible securities); provided that any instrument evidencing Indebtedness convertible or exchangeable for Equity Interests shall not be deemed to be Equity Interests unless and until such instrument is so converted or exchanged, except, solely for purposes of a pledge of Equity Interests in connection with this Agreement, to the extent such instrument could be treated as “stock” of a “Controlled Foreign Subsidiary” (as defined in the Code) for purposes of Treasury Regulation Section 1.956-2(c)(2).

“ 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 a Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ ERISA Event ” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period is waived); (b) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“ Eurodollar ”, when used in reference to any Loan or Borrowing (other than an ABR Loan or Borrowing), refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“ Event of Default ” has the meaning assigned to such term in ARTICLE VII .

“ Excluded Property ” has the meaning assigned to it in the Security Agreement.

“ Excluded Subsidiary ” means (a) any Disregarded Domestic Subsidiary, (b) any Restricted Subsidiary, to the extent a guarantee by any such Restricted Subsidiary is not permitted by law, regulation or contract (including any requirement to obtain governmental (including regulatory) authority or third party consent) or would result in any material and adverse tax consequence as reasonably determined by the Borrower, in consultation with the Administrative Agent, (c) to the extent that the burden or cost of obtaining a guaranty outweighs the benefit afforded thereby as reasonably determined by the Administrative Agent (as defined below) and the Borrower, (d) Immaterial Subsidiaries and (e) Unrestricted Subsidiaries.

“ Excluded Swap Obligation ” means, with respect to any Loan Guarantor, any Loan Guarantor Swap Obligation if, and to the extent that, all or a portion of the Guaranteed Obligations of such Loan Guarantor of, or the grant by such Loan Guarantor of a security interest to secure, such Loan Guarantor Swap Obligation (or any Guarantee Obligations 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 Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the Loan Guarantor Swap Obligation of such Loan Guarantor or the grant of such security interest becomes effective with respect to such Loan Guarantor Swap Obligation. If a Loan Guarantor Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Loan Guarantor Swap Obligation that is attributable to swaps for which such Guaranteed Obligation or security interest 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).

“ Excluded Taxes ” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. Federal Taxes required to be withheld and imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17 , amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender acquired the applicable interest in such Loan or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.17(f) , (d) any Other Connection Taxes and (e) any U.S. Federal withholding Taxes imposed under FATCA.

“ Executive Order ” has the meaning assigned to it in Section 3.19 .

“ Existing Credit Agreement ” means the Borrower’s existing \$230,000,000 credit facility dated as of December 14, 2012, with lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.

“ Existing Loan Tranche ” has the meaning assigned to such term in Section 2.25(a) .

“ Extended Loans ” has the meaning assigned to such term in Section 2.25(a) .

“ Extending Lender ” has the meaning assigned to such term in Section 2.25(b) .

“ Extension ” shall mean the establishment of an Extension Series by amending a Loan pursuant to Section 2.25 and the applicable Extension Amendment.

“ Extension Amendment ” has the meaning assigned to such term in Section 2.25(b)(i) .

“ Extension Election ” has the meaning assigned to such term in Section 2.25(b) .

“ Extension Facility Closing Date ” has the meaning assigned to such term in Section 2.25(b)(i) .

“ Extension Minimum Condition ” shall mean a condition to consummating any Extension that a minimum amount (to be determined and specified in the relevant Extension Request, in the Borrower’s sole discretion) of any or all applicable Classes be submitted for Extension.

“ Extension Request ” shall mean any Loan Extension Request.

“ Extension Series ” means any Loan Extension Series.

“ FATCA ” means Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

“ Federal Funds Effective Rate ” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“ Financial Officer ” means the chief financial officer, principal accounting officer, treasurer or controller or other similar officer performing similar functions of the Borrower, in each case in his or her capacity as such.

“ Financial Statements ” has the meaning assigned to such term in Section 5.01 .

“First Amendment” means that certain Amendment No. 1 dated as of March 31, 2015 among Holdings, the Borrower, the Administrative Agent and the Lenders party thereto.

“First Amendment Effective Date” means March 31, 2015.

“ First Lien Net Leverage Ratio ” means, on any date, the ratio of (i) the difference between (i) Total Indebtedness secured on by a first priority Lien on the Collateral on such date less (ii) the amount of Unrestricted Cash and Unrestricted Cash Equivalents of the Loan Parties not at any time to exceed \$20,000,000 on such date to (b) EBITDA for the period of four consecutive fiscal quarters ended on or most recently prior to such date.

“ Fixtures ” has the meaning assigned to such term in the Security Agreement.

“ Foreign Assets Control Regulations ” has the meaning assigned to such term in Section 3.19 .

“ Foreign Lender ” means a Lender that is not a U.S. Person.

“ Foreign Subsidiary ” shall mean a Restricted Subsidiary that is organized under the laws of a jurisdiction other than the United States, any state thereof or the District of Columbia.

“ Funding Account ” has the meaning assigned to such term in Section 4.01(h) .

“ GAAP ” means generally accepted accounting principles in the United States of America.

“ Global Intercompany Note ” means a note substantially in the form of Exhibit F attached hereto.

“ Governmental Authority ” means the government of the United States of America, any other nation or 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.

“ Guarantee ” of or by any Person (the “ guarantor ”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “ primary obligor ”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which the Guarantee is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee.

“ Guaranteed Obligations ” has the meaning assigned to such term in Section 10.01 .

“ Hazardous Materials ” means: (a) any substance, material, or waste that is included within the definitions of “hazardous substances,” “hazardous materials,” “hazardous waste,” “toxic substances,” “toxic materials,” “toxic waste,” or words of similar import in any Environmental Law; (b) those substances listed as hazardous substances by the United States Department of Transportation (or any successor agency) (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) (40 C.F.R. Part 302 and amendments thereto); and (c) any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical.

“ Holdings ” shall have the meaning provided in the first paragraph hereof.

“ Immaterial Subsidiary ” means, as of any date, any Restricted Subsidiary of Borrower (designated in writing by the Borrower to the Administrative Agent as an Immaterial Subsidiary) contributing less than 2.50% (excluding intra-group items) of the consolidated EBITDA of Borrower and its Restricted Subsidiaries for the most recently ended period of four fiscal quarters for which financial statements have been delivered pursuant to Section 5.1 ; provided that the consolidated EBITDA of all Immaterial Subsidiaries shall not exceed 5.00% (excluding intra-group items) of the consolidated EBITDA of Borrower and its Restricted Subsidiaries for the relevant period. The Immaterial Subsidiaries as of the Effective Date are listed on Schedule 1.01 .

“ Immediate Family Members ” means with respect to any individual, such individual’s child, grandchild, parent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law and daughter-in-law (including formally adopted 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.

“ Impacted Interest Period ” has the meaning assigned to it in the definition of “LIBO Rate”.

“ Incremental Cap ” has the meaning assigned to it in Section 2.23(a) .

“ Incremental Equivalent Debt ” has the meaning assigned to it in Section 2.23(f).

“ Incremental Facility ” has the meaning assigned to it in Section 2.23 .

“ Incremental Facility Agreement ” has the meaning assigned to it in Section 2.23 .

“ Incremental Facility Effective Date ” has the meaning assigned to it in Section 2.23 .

“ Incremental Loan Commitment Requirements ” shall mean, the satisfaction of each of the following conditions: (i) the delivery by the Borrower to the Administrative Agent on or prior to such date of an acknowledgement in form and substance reasonably satisfactory to the Administrative Agent and executed by each Guarantor, acknowledging that such Incremental Facility and all Loans to be incurred pursuant thereto shall constitute (and be included in the definition of) “Obligations” under any Guaranty and Collateral Agreement; (ii) the delivery by the Borrower to the Administrative Agent of an opinion or opinions, in form and substance reasonably satisfactory to the Administrative Agent, from counsel to the Loan Parties, dated such date, covering such of the matters consistent with those set forth in the opinions of counsel delivered to the Administrative Agent on the Effective Date pursuant to Section 4.01 as may be reasonably requested by the Administrative Agent (other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel’s form of opinion reasonably satisfactory to the Administrative Agent); and (iv) the delivery by the Borrower and the other Loan Parties to the Administrative Agent on or prior to such date of such other officers’ certificates, board of director resolutions and evidence of good standing consistent with those required to be delivered to the Administrative Agent on the Effective Date pursuant to Section 4.01 as the Administrative Agent shall reasonably request.

“ Incremental Term Loans ” has the meaning assigned to it in Section 2.23 .

“ Indebtedness ” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services, including earn outs in respect of acquisitions (excluding (i) current accounts payable or accrued expenses incurred in the ordinary course of business, and (ii) all contingent unliquidated obligations of such Person in respect of earn outs and other contingent payments in respect of acquisitions, (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, but, solely in case of Indebtedness which is non-recourse to such person, limited to the fair market value of such property, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances, (j) any other Off-Balance Sheet Liability and (l) obligations, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all Swap Agreements, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the

extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. For the avoidance of doubt, Indebtedness of the Loan Parties shall include all guarantees (whether obligations thereunder is contingent or otherwise) of operating leases of franchisees (existing or prior) to the extent the Borrower is not indemnified for any such guaranty by a binding agreement.

“ Indemnified Taxes ” means (a) 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 and (b) to the extent not otherwise described in (a), Other Taxes.

“ Indemnitee ” has the meaning assigned to it in Section 9.03(b) .

“ Ineligible Institution ” has the meaning assigned to it in Section 9.04(b) .

“ Information ” has the meaning assigned to it in Section 9.12 .

“ Interest Election Request ” means a request by the Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.08 .

“ Interest Expense ” means, with reference to any period, total interest expense (including that attributable to Capital Lease Obligations) of the Borrower and its Restricted Subsidiaries for such period with respect to all outstanding Indebtedness of the Borrower and its Restricted Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptances and net costs under Swap Agreements in respect of interest rates, to the extent paid or required to be paid in cash for such period, to the extent such net costs are allocable to such period in accordance with GAAP), calculated for the Borrower and its Restricted Subsidiaries on a consolidated basis for such period in accordance with GAAP.

“ Interest Payment Date ” means (a) with respect to any ABR Loan (other than a Swingline Loan), the first day of each calendar quarter and the Revolving Credit Maturity Date or the Term Maturity Date, as applicable, and (b) with respect to any Eurodollar Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day (and if such day is not a Business Day, the next succeeding Business Day unless, such next succeeding Business Day would fall in the next calendar month, in which case the next preceding Business Day) prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the Revolving Credit Maturity Date or the Term Maturity Date, as applicable, and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid and the Revolving Credit Maturity Date.

“ Interest Period ” means (A) with respect to any Eurodollar Borrowing, the period commencing on the date of such Eurodollar Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, with the consent of each Lender participating therein, twelve months) thereafter, as the Borrower may elect; provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“ Interpolated Rate ” means, at any time, for any Interest Period, the rate *per annum* (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period for which the LIBO Screen Rate is available) that is shorter than the Impacted Interest Period; and (b) the LIBO Screen Rate for the shortest period (for which that Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

“ Investment ” means, with respect to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase, or other acquisition (including pursuant to any merger with any Person that was not a Loan Party and a wholly owned Restricted Subsidiary prior to such merger) of any Equity Interests, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) (b) a loan, advances or capital contribution to, Guarantee of any obligations of, or purchase or other acquisition of any other interest in, any other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) all or substantially all of the assets of any other Person constituting a business unit, units or line of business (whether through purchase of assets, merger or otherwise). For purposes of this Agreement, the amount of any Investment at any time shall be the amount actually invested (measured at the time made), without adjustment for subsequent changes in the value of such Investment, net of any return with respect to such Investment.

“ IRS ” means the United States Internal Revenue Service.

“ Issuing Bank ” means JPMorgan Chase Bank, N.A., in its capacity as the issuer of Letters of Credit hereunder and its successors in such capacity as provided in Section 2.06(i) . The Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by its Affiliates, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate (it being agreed that such Issuing Bank shall, or shall cause such Affiliate to, comply with the requirements of Section 2.06 with respect to such Letters of Credit).

“ Joinder Agreement ” means a Joinder Agreement in substantially the form of Exhibit E .

“ Latest Maturity Date ” shall mean, at any date of determination and with respect to the specified Loans or Commitments (or in the absence of any such specification, all outstanding Loans and Commitments hereunder), the latest Maturity Date, as applicable, applicable to any such Loans or Commitments hereunder at such time, including the latest maturity date of any Extended Loan, Refinanced Loan or any Incremental Facility, in each case as extended in accordance with this Agreement from time to time.

“ LC Collateral Account ” has the meaning assigned to such term in Section 2.06(j) .

“ LC Disbursements ” means any payment made by an Issuing Bank pursuant to a Letter of Credit.

“ LC Exposure ” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements relating to Letters of Credit that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the aggregate LC Exposure.

“ Lenders ” means the Persons listed on the Commitment Schedule and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto. Unless the context otherwise requires, the term “Lenders” includes the Swingline Lender.

“ Lenders’ Presentation ” means the Lenders’ Presentation dated as of November 19, 2012 relating to the Borrower and the Transactions.

“ Letters of Credit ” means the standby letters of credit issued pursuant to this Agreement, and the term “ Letter of Credit ” means any one of them or each of them singularly, as the context may require.

“ LIBO Rate ” means, with respect to any Eurodollar Borrowing for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for Dollars for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; in each case the “ LIBO Screen Rate ”) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; provided that, if the LIBO Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement and provided, further, if the LIBO Screen Rate shall not be available at such time for such Interest Period (an “ Impacted Interest Period ”) then the LIBO Rate shall be the Interpolated Rate, provided, that, if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“ LIBO Screen Rate ” has the meaning assigned to it in the definition of “LIBO Rate”.

“ Lien ” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (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.

“ Loan ” means a loan or advance made by the Lenders pursuant to this Agreement, including Swingline Loans.

“ Loan Documents ” means, collectively, this Agreement, any promissory notes issued pursuant to the Agreement, any Letter of Credit applications, the Collateral Documents, the Perfection Certificate, the Loan Guaranty, the Reaffirmation Agreement, any guaranty, any Incremental Facility Agreement and any Joinder Agreement. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

“ Loan Extension Request ” has the meaning assigned to such term in Section 2.25(a) .

“ Loan Extension Series ” has the meaning assigned to such term in Section 2.25(a) .

“ Loan Guarantor ” means each Loan Party (other than the Borrower).

“ Loan Guarantor Swap Obligation ” means, with respect to any Loan Guarantor, any 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.

“ Loan Guaranty ” means ARTICLE X of this Agreement.

“ Loan Parties ” means Holdings, the Borrower, the Borrower’s domestic Restricted Subsidiaries (other than Excluded Subsidiaries) and any other Person who becomes a party to this Agreement pursuant to a Joinder Agreement and their successors and assigns.

“ Loan Party ” means any one of the Loan Parties.

“ Management Agreement ” means the Management Services Agreement dated as of December 14, 2012 by and among Pla-Fit Holdings, LLC, Planet Intermediate, LLC, Planet Fitness Holdings, LLC and TSG6 Management L.L.C.

“ Material Adverse Effect ” means a material adverse effect on (a) the business, assets, operations or condition, financial or otherwise, of the Borrower and its Restricted Subsidiaries taken as a whole, (b) the ability of any Loan Party to perform any of its obligations under the Loan Documents to which it is a party, (c) the Collateral, or the Administrative Agent’s Liens (on behalf of itself and the Lenders and other holders of the Secured Obligations) on the Collateral or the priority of such Liens, or (d) the rights of or benefits available to the Administrative Agent, the Issuing Bank or the Lenders under any of the Loan Documents.

“ Material Indebtedness ” means Indebtedness (other than the Loans and Letters of Credit), or net obligations in respect of one or more Swap Agreements, of any one or more of the Loan Parties and their respective Restricted Subsidiaries in an aggregate outstanding principal amount exceeding \$15,000,000. For purposes of determining Material Indebtedness, the “obligations” of the Borrower or any Restricted Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Loan Party would be required to pay if such Swap Agreement were terminated at such time.

“ Maturity Date ” means, the Revolving Credit Maturity Date and/or the Term Maturity Date, as applicable.

“ Maximum Liability ” has the meaning assigned to such term in Section 10.10 .

“ Maximum Rate ” has the meaning assigned to such term in Section 9.17 .

“ MNPI ” has the meaning assigned to the term in Section 9.04 .

“ Moody’s ” means Moody’s Investors Service, Inc.

“ Mortgages ” means any mortgage, deed of trust or other agreement which conveys or evidences a Lien in favor of the Administrative Agent, for the benefit of the Administrative Agent and the Lenders and other holders of the Secured Obligations, on fee owned real property of a Loan Party, including any amendment, modification or supplement thereto.

“ Multiemployer Plan ” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“ New Holdings ” has the meaning assigned to it in Section 6.03(c) .

“ Net Income ” means, for any period, the consolidated net income (or loss) determined for the Borrower and its Restricted Subsidiaries, on a consolidated basis in accordance with GAAP; provided , however , that, without duplication:

- a) any non-cash extraordinary, non-recurring or unusual gains, losses, charges or expenses for such period shall be excluded;

-
- b) 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, shall be excluded;
 - c) any non-cash gains or losses realized upon the sale, disposition or discontinuance of assets that are not sold or otherwise disposed of in the ordinary course of business shall be excluded;
 - d) the Net Income for such period of any Person that is an Unrestricted Subsidiary shall be excluded, and 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 shall be excluded; provided that Net Income of a Person shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent subsequently converted into cash) to such Person or a Restricted Subsidiary thereof in respect of such period;
 - e) effects of adjustments (including the effects of such adjustments pushed down to Borrower and the Restricted Subsidiaries) in any line item in the Borrower's consolidated financial statements required or permitted by Financial Accounting Standards Codification No. 805 – Business Combinations and No. 350 – Intangibles-Goodwill and Other (ASC 805 and ASC 350) (formerly Financial Accounting Standards Board Statement Nos. 141 and 142, respectively) resulting from the application of purchase accounting, including in relation to any acquisition that is consummated on or after the Effective Date or the amortization or write-off of any amounts thereof, net of taxes, shall be excluded;
 - f) any non-cash compensation charge or expense, including any such charge or expense arising from grants of stock appreciation rights, equity incentive programs or similar rights, stock options, restricted stock or other rights to Equity Interests, shall be excluded;
 - g) any expenses, charges or losses to the extent covered by insurance or indemnity and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is (i) not denied by the applicable carrier or indemnifying party in writing within 180 days and (ii) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days);
 - h) any non-cash impairment charge or asset write-off or write-down in each case, pursuant to GAAP, and from the amortization of intangibles arising pursuant to GAAP shall be excluded;
 - i) solely for the purpose of determining the Available Amount, the Net Income for such period of any Restricted Subsidiary (other than any Loan Guarantor) shall be excluded 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 (other than restrictions that have been legally waived or otherwise released); provided that the Net Income of the Borrower will be increased by the amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash), to the Borrower or a Restricted Subsidiary thereof in respect of such period, to the extent not already included therein;

-
- j) any non-cash compensation expense resulting from the application of Accounting Standards Codification Topic No. 718, *Compensation—Stock Compensation* or Accounting Standards Codification Topic No. 505-50, *Equity-Based Payments to Non-Employees*, shall be excluded; and
 - k) the following items shall be excluded:
 - i) any net unrealized gain or loss (after any offset) resulting in such period from Swap Agreements and from the application of Accounting Standards Codification Topic No. 815, *Derivatives and Hedging*;
 - ii) any non-cash net 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) Swap Agreements for currency exchange risk and (B) resulting from intercompany indebtedness among such Person and its Restricted Subsidiaries));
 - iii) any non-cash adjustments resulting from the application of Accounting Standards Codification Topic No. 460, *Guarantees*, or any comparable regulation; and
 - iv) non-cash gains and losses from the early extinguishment of debt and Swap Contracts.

In addition, notwithstanding anything to the contrary in the foregoing, to the extent not already included in the Net Income of the Borrower in any period and so long as the expenses, charges and losses with respect to which such amounts relate have not been excluded from Net Income of the Borrower in any period, Net Income shall include (x) the amount of proceeds received from business interruption insurance and (y) reimbursements of any expenses and charges 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.

“Net Proceeds” means, with respect to any event, (a) the cash proceeds received by any Loan Party in respect of such event including (i) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments), but only as and when received, (ii) in the case of a casualty, insurance proceeds and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, net of (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid to third parties (other than Affiliates) in connection with such event, (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments required to be made as a result of such event to repay Indebtedness (other than Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event and (iii) the amount of all taxes, including taxes payable upon the transfer or repatriation of proceeds, paid (or reasonably estimated to be payable), including the amount of any Permitted Tax Distribution Amount attributable to such event and any Taxes imposed on the distribution or deemed distribution of the amounts described in clause (a) hereof, and the amount of any reserves established to fund liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are attributable to such event (as determined reasonably and in good faith by a Financial Officer).

“New Term Commitment” means, with respect to each Lender, the commitment, if any, of such Lender to make New Term Loans, expressed as an amount representing the maximum principal amount of the New Term Loans to be made by such Lender. The initial amount of each Lender’s New Term Commitment is set forth on the Commitment Schedule, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its New Term Commitment, as applicable. The initial aggregate amount of the Lenders’ New Term Commitment is \$120,000,000.

“New Term Lender” means a Lender having a New Term Commitment or an outstanding New Term Loan.

“New Term Loan” means a Loan made pursuant to Section 2.01(c).

“ Non-Consenting Lender ” has the meaning assigned to such term in Section 9.02(d) .

“ Non-Paying Guarantor ” has the meaning assigned to such term in Section 10.09 .

“ Obligated Party ” has the meaning assigned to such term in Section 10.02 .

“ Obligations ” means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Loan Parties to the Lenders or to any Lender, the Administrative Agent, the Issuing Bank or any indemnified party arising under the Loan Documents.

“ OFAC ” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“ Off-Balance Sheet Liability ” of a Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any indebtedness, liability or obligation under any so-called “synthetic lease” transaction entered into by such Person, or (c) any indebtedness, liability or obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person (other than operating leases).

“Original Term Commitment” means, with respect to each Lender, the commitment, if any, of such Lender to make Original Term Loans, expressed as an amount representing the maximum principal amount of the Original Term Loans to be made by such Lender. The initial amount of each Lender’s Original Term Commitment is set forth on the Commitment Schedule, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Original Term Commitment, as applicable. The initial aggregate amount of the Lenders’ Original Term Commitment is \$390,000,000.

“ Original Term Lender” means a Lender having an Original Term Commitment or an outstanding Original Term Loan.

“Original Term Loan” means a Loan made pursuant to Section 2.01(b).

“ Other Connection Taxes ” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than a connection arising from such Recipient having executed, delivered, 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 enforced any Loan Document), or sold or assigned an interest in any Loan Document.

“ Other Taxes ” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise 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, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19).

“ Parent ” means, with respect to any Person, the Person as to which such Person is, directly or indirectly, a subsidiary.

“ Participant ” has the meaning assigned to such term in Section 9.04(c) .

“ Participant Register ” has the meaning assigned to such term in Section 9.04(c) .

“ Paying Guarantor ” has the meaning assigned to such term in Section 10.11 .

“ PBGC ” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“ Perfection Certificate ” means that certain Perfection Certificate, dated as of the date hereof, delivered by the Loan Parties to the Administrative Agent and any amendment and supplement thereto delivered in compliance with the terms of the Security Agreement.

“ Permitted Encumbrances ” means any Lien or encumbrance permitted by Section 6.02 .

“ Permitted Junior Secured Refinancing Debt ” has the meaning assigned to such term in Section 2.24(g)(i) .

“ Permitted Holders ” means (i) the Sponsor, (ii) the members of management of Holdings, any direct or indirect parent of Holdings, the Borrower or any of its Restricted Subsidiaries who are investors in Holdings or any direct or indirect parent thereof and (iii) Marc Grondahl, Christopher J. Rondeau, the Marc Grondahl Revocable Trust of 2006 and the Christopher J. Rondeau Revocable Trust of 2006 or any successor or assign of Marc Grondahl, Christopher J. Rondeau, the Marc Grondahl Revocable Trust of 2006 and the Christopher J. Rondeau Revocable Trust of 2006; provided that under no circumstances shall the Sponsor hold less than a majority, directly or indirectly, of the voting Equity Interests of Holdings held by the “Permitted Holders”.

“ Permitted Investments ” or “ Cash Equivalents ” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody’s;

(c) investments in certificates of deposit, bankers’ acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than \$250,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least \$1,000,000,000.

“ Permitted Pari Passu Secured Refinancing Debt ” has the meaning assigned to such term in 2.24(g)(i).

“ Permitted Payments to Parent ” means, without duplication as to amounts:

(a) payments to any Parent to permit any Parent to pay reasonable accounting, legal and administrative expenses of any Parent when due, to the extent such expenses are attributable to the ownership and operation of the Borrower and its Subsidiaries;

(b) distributions to pay the tax liabilities of the direct and indirect parents of Borrower and (y) pro rata “tax distributions” to the direct and indirect equityholders of Borrower's direct and indirect parent, in each case, determined based on the net income and gain realized by Borrower and its Subsidiaries (and to discharge the tax liabilities of Borrower, its Subsidiaries and their direct and indirect equityholders);

(c) payments to any Parent to pay reasonable expenses in connection with any debt or equity offering of any Parent (whether or not successful);

(d) payments to any Parent to pay customary salary, bonus, severance and other benefits payable to, and indemnities provided on behalf of, employees, directors, officers, members of management and consultants of any direct or indirect parent company of the Borrower and any payroll, social security or similar taxes thereof, to the extent such salaries, bonus and other benefits are attributable to the ownership or operation of the Borrower and its Subsidiaries; and

(e) any Restricted Payment by the Borrower or any other direct or indirect parent of the Borrower to pay listing fees and other costs and expenses attributable to being a publicly traded company which are reasonable and customary.

“ Permitted Refinancing ” means, with respect to any Person, any modification, refinancing, refunding, renewal, replacement or extension of any Indebtedness of such Person; provided that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, refunded, renewed, replaced or extended except by an amount equal to unpaid accrued interest and premium (including tender premiums) thereon, plus reasonable original issue discount and upfront fees plus other fees and expenses reasonably incurred, in connection with such modification, refinancing, refunding, renewal, replacement or extension and by an amount equal to any existing commitments unutilized thereunder, (b) such modification, refinancing, refunding, renewal, replacement or extension has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended, (c) at the time thereof, no Event of Default shall have occurred and be continuing, (d) if such Indebtedness being modified, refinanced, refunded, renewed, replaced or extended is Subordinated Indebtedness, to the extent such Indebtedness being modified, refinanced, refunded, renewed, replaced or extended is subordinated in right of payment to the Obligations, such modification, refinancing, refunding,

renewal, replacement or extension is subordinated in right of payment to the Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended, and such modification, refinancing, refunding, renewal, replacement, (e) to the extent such Indebtedness being modified, refinanced, refunded, renewed, replaced or extended is secured by the Collateral and/or subject to intercreditor arrangements for the benefit of the Lenders, such modification, refinancing, refunding, renewal, replacement or extension is either (1) unsecured or (2) secured and, if secured, subject to intercreditor arrangements on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended, and such modification, refinancing, refunding, renewal, replacement or extension is incurred by one or more Persons who is an obligor of the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended and (f) any such modification, refinancing, renewal, replacement or extension has the same primary obligor and the same (or fewer) guarantors as the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended.

“ Permitted Tax Distribution Amount ” means, with respect to any taxable year or portion thereof for which the Borrower is classified as a disregarded entity of partnership for US federal income tax purposes, an aggregate amount of cash distributions to be made by the Borrower to its equity holders in order to provide its direct and indirect equity holders with funds sufficient to pay their tax liabilities, including estimated tax liabilities, associated with their direct or indirect allocable shares of income and gain of the Borrower and its Subsidiaries classified as partnerships or disregarded entities for US federal income tax purposes during their period of direct or indirect ownership in the Borrower with respect to such taxable year, subject to the following modifications: (i) the aggregate Permitted Tax Distribution Amount with respect to a taxable year or portion thereof shall not exceed the product of (a) the Borrower’s reasonable good faith determination of the taxable income, gain, loss and deduction of the Borrower and its Subsidiaries classified as partnerships or disregarded entities for US federal income tax purposes with respect to such period and by (b) the applicable Assumed Tax Rate; (ii) the Borrower shall assume that the sole source of income, gain, loss, deduction and credit for its direct and indirect equity holders is a direct or indirect interest in the Borrower and its Subsidiaries classified as partnerships or disregarded entities for US federal income tax purposes; (iii) for clarity, any tax deductions or basis adjustments arising under Code Section 743 shall not be taken into account; and (iv) the aggregate Permitted Tax Distribution Amount with respect to the taxable income and gain of the Unrestricted Subsidiaries for all taxable years or portions thereof shall not exceed the aggregate amount of cash or other property received by the Borrower or any Restricted Subsidiary from the Unrestricted Subsidiaries.

The applicable “Assumed Tax Rate” equals the single highest combined federal, state and local tax rates (taking into account self-employment tax rates and the Medicare Contribution tax on net investment income) then applicable to capital gains or ordinary income (as applicable), whether an individual or corporate rate in any jurisdiction in which any direct or indirect equity holder of the Borrower is resident (with the state of residence of an equity holder that is a “flow through” entity for tax purposes determined to be the state or states of residence of any direct or indirect owner of the entity who is responsible for paying taxes on such income) or the Borrower directly or indirectly does business (whichever is higher) on income or gain of the category represented by such applicable allocation (assuming that state and local taxes are not deductible).

“ Permitted Unsecured Refinancing Debt ” has the meaning assigned to such term in Section 2.24(g)(i) .

“ Person ” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“ Plan ” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“ Platform ” has the meaning assigned to such term in Section 9.01(d) .

“ Prepayment Event ” means:

(a) any sale, transfer or other disposition (including pursuant to a sale and leaseback transaction) of any property or asset of any Loan Party or any of its Restricted Subsidiaries, other than dispositions (i) described in Sections 6.05 (a) , (b) , (c) , (d) , (h) , (i) , (j)(i) , (l) , (m) , (n) and (o) and (ii) any other sale, transfer or disposition (for such purpose, treating any series of related sales, transfers or dispositions as a single such transaction) that generates Net Proceeds of less than \$1,000,000; provided that no asset sales shall be excluded from this definition by operation of this clause (a)(ii) at any time during any fiscal year of the Borrower after the aggregate amount Net Proceeds generated from asset sales that have been excluded from this definition by operation of this clause (a) (ii) during such fiscal year equals or exceeds \$5,000,000; or

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any Loan Party or any of its Restricted Subsidiaries with a fair value immediately prior to such event equal to or greater than \$1,000,000; or

(c) the incurrence by any Loan Party or any of its Restricted Subsidiaries of any Indebtedness, other than Indebtedness permitted under Section 6.01 (other than Refinancing Debt).

“ Previous Holdings ” has the meaning assigned to it in Section 6.03(c) .

“ Previously Absent Financial Covenant ” means, at any time (a) any financial covenant that is not included in this Agreement at such time and (b) with regard to a financial covenant that is included in this Agreement at such time but with covenant levels and component definitions (to the extent relating to such financial covenant) in this Agreement that are less restrictive on the Borrower and its Restricted Subsidiaries than those in the more restrictive financial covenant included in the applicable Extended Loan, Refinanced Loan or any Incremental Facility, such more restrictive financial covenant.

“ Prime Rate ” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal offices in New York City. Each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“ Pro Forma Adjustment ” means, for any period, the pro forma increase or decrease in EBITDA, as certified and reasonably acceptable to the Administrative Agent by the chief financial officer or other equivalent officer of the Borrower, which pro forma increase or decrease shall be based on the Borrower’s good faith projections and reasonable assumptions as a result of actions taken prior to the date of determination of EBITDA, and which are expected to result in reasonably identifiable and factually supportable (in the good faith determination of the Borrower) operating expense reductions and other operating improvements, restructurings and cost savings that are reasonably expected to be realized within 12 months following such action); provided that (A) so long as such actions are taken prior to the date of determination of EBITDA it may be assumed, for purposes of projecting such pro forma increase or decrease to EBITDA, that such cost savings will be realizable during the entirety of such period, and (B) any such pro forma increase or decrease to EBITDA shall be without duplication of cost savings or additional costs already deducted from net income, or included as an addback to EBITDA, for such period.

“ pro forma basis ” and “ pro forma effect ” mean, with respect to compliance with any test or covenant or calculation of any ratio hereunder, the determination or calculation of such test, covenant or ratio in accordance with Section 1.05 .

“ Prohibited Person ” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the or by the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

“ Projections ” has the meaning assigned to such term in Section 5.01 .

“ Public-Sider ” means any representative of a Lender that does not want to receive material non-public information with the meaning of federal and state securities laws.

“ Qualified Capital Stock ” means Equity Interests of Holdings, the Borrower and its Restricted Subsidiaries other than Disqualified Capital Stock.

“ Qualified ECP Guarantor ” means, in respect of any Loan Guarantor Swap Obligation, each Loan Guarantor that at the time the relevant Guaranteed Obligation or grant of the relevant security interest becomes effective with respect to such Loan Guarantor Swap Obligation 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.

“ Qualifying IPO ” means the issuance by Holdings or any direct or indirect parent of Holdings 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).

“ Real Property ” means, collectively, all right, title and interest (including any leasehold, mineral or other estate) in and to any and all parcels of or interests in real property owned or leased by any Person, whether by lease, license or other means, together with, in each case, all easements, hereditaments and appurtenances relating thereto and all improvements and appurtenant fixtures.

“ Recipient ” means, as applicable, (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, or any combination thereof (as the context requires).

“ Reaffirmation Agreement ” means that certain Reaffirmation Agreement, dated as of the date hereof, between the Loan Parties and the Administrative Agent, for the benefit of the Administrative Agent and the Lenders and the other holders of the Secured Obligations.

“ Refinancing Amendment ” has the meaning assigned to such term in Section 2.24(f) .

“ Refinanced Debt ” has the meaning assigned to such term in Section 2.24(a) .

“ Refinancing Amendment ” has the meaning assigned to such term in Section 2.24(f) .

“ Refinancing Commitments ” has the meaning assigned to such term in Section 2.24(a) .

“ Refinancing Debt ” means Refinancing Loans (and/or Refinancing Commitments, as the context may require) and Refinancing Equivalent Debt.

“ Refinancing Equivalent Debt ” has the meaning assigned to such term in Section 2.24(g)(i) .

“ Refinancing Facility Closing Date ” has the meaning assigned to such term in Section 2.24(d) .

“ Refinancing Lender ” has the meaning assigned to such term in Section 2.24(c) .

“ Refinancing Loan ” has the meaning assigned to such term in Section 2.24(b) .

“ Refinanced Loans ” has the meaning assigned to such term in Section 2.24(g) .

“ Refinancing Loan Request ” has the meaning assigned to such term in Section 2.24(a) .

“ Refinancing Commitments ” has the meaning assigned to such term in Section 2.24(a) .

“ Refinancing Lender ” has the meaning assigned to such term in Section 2.24(c) .

“ Refranchising Transaction ” means any acquisition of one or more franchises (including stores, area development (or similar) agreements, real estate and other related assets and rights) and the subsequent sale or other disposition of such franchises to one or more franchisees to the extent such franchises are classified as “assets held for sale” on the balance sheet of the Borrower and its Restricted Subsidiaries in accordance with GAAP or are expected to be, and are actually, sold or otherwise disposed of within two years of such acquisition; provided that any such purchase shall be deemed an Investment other than a “Refranchising Transaction” if such sale or disposition is not consummated within two years of such acquisition.

“ Register ” has the meaning assigned to such term in Section 9.04 .

“ Related Parties ” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, partners, members, trustees, employees, agents, administrators, managers, representatives and advisors of such Person and such Person’s Affiliates.

“ Repricing Transaction ” shall mean (a) any prepayment or repayment of Term Loans with the proceeds of, or any conversion of Loans into, any new or replacement Class of Term Loans or other Indebtedness the primary purpose of which is to reduce the interest rate payable thereon to be lower than the Adjusted LIBO Rate on the date of such prepayment plus the Applicable Rate with respect to the Term Loans on the date of such prepayment or (b) any amendment, amendment and restatement or other modification to this Agreement, the primary purpose of which is to reduce the interest rate payable thereon to be lower than the Adjusted LIBO Rate on the date of such prepayment plus the Applicable Rate with respect to the Term Loans on the date of such prepayment.

“ Required Class Lenders ” means, at any time, as to any Class, Lenders having Credit Exposure (with respect to only such Class) and unused Commitments of such Class representing more than 50.0% of the sum of the Aggregate Credit Exposure (with respect to only such Class) and unused Commitments of such Class at such time.

“ Required Lenders ” means, at any time, Lenders having Credit Exposure and unused Commitments representing more than 50.0% of the sum of the Aggregate Credit Exposure and unused Commitments at such time.

“ Required Revolving Lenders ” means, as of any date of determination, Lenders having Revolving Exposure and unused Revolving Commitments representing more than 50.0% of the sum of the total Revolving Exposure and unused Revolving Commitments at such time.

“ Requirement of Law ” means, as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“ Restricted ” shall mean, when referring to cash or Cash Equivalents of the Borrower or any of its Restricted Subsidiaries, that such cash or Cash Equivalents (i) appears (or would be required to appear) as “restricted” on a consolidated balance sheet of the Borrower or of any such Restricted Subsidiary (unless such appearance is related to the Loan Documents or Liens created thereunder), (ii) are subject to any Lien in favor of any Person other than the Administrative Agent for the benefit of the Secured Parties or (iii) are not otherwise generally available for use by the Borrower or such Restricted Subsidiary.

“ Restricted Payment ” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Restricted Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Borrower or any option, warrant or other right to acquire any such Equity Interests in the Borrower and distributions and the payment, prepayment, redemption or repurchases of unsecured or junior debt (including, for the avoidance of doubt, any debt permitted under Section 6.01(c)(ii)).

“ Restricted Subsidiary ” means any Subsidiary of Holdings that is not an Unrestricted Subsidiary.

“ Retained Declined Proceeds ” has the meaning assigned to such term in Section 2.11(h) .

“ Revolving Commitment ” means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate permitted amount of such Lender’s Revolving Exposure hereunder. The initial amount of each Lender’s Revolving Commitment is set forth on the Commitment Schedule , or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Revolving Commitment, as applicable. The initial aggregate amount of the Lenders’ Revolving Commitments is \$40,000,000.

“ Revolving Commitment Increase ” has the meaning assigned to such term in Section 2.23 .

“ Revolving Commitment Increase Lender ” has the meaning assigned to such term in Section 2.23 .

“ Revolving Credit Maturity Date ” means March 31, 2019 (if the same is a Business Day, or if not then the immediately next succeeding Business Day), or any earlier date on which the Revolving Commitments are reduced to zero or otherwise terminated pursuant to the terms hereof.

“ Revolving Exposure ” means, with respect to any Lender, at any time, the sum of the aggregate outstanding principal amount of such Lender’s Revolving Loans and its LC Exposure and Swingline Exposure at such time.

“ Revolving Lender ” means, as of any date of determination, a Lender with a Revolving Commitment or, if the Revolving Commitments have terminated or expired, a Lender with Revolving Exposure.

“ Revolving Loan ” means a Loan made pursuant to Section 2.01(a) .

“ Sale and Leaseback Transaction ” has the meaning assigned to it in Section 6.06 .

“ Sanctioned Country ” means, at any time, a country or territory which is the subject or target of any Sanctions.

“ Sanctions ” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“ S&P ” means Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc.

“ SEC ” means the U.S. Securities and Exchange Commission.

“ Secured Obligations ” means all Obligations, together with all (i) Banking Services Obligations and (ii) Swap Obligations owing to one or more Lenders or their respective Affiliates.

“ Secured Parties ” means (a) the Lenders, (b) the Administrative Agent, (c) the Issuing Bank, (d) each provider of Banking Services Obligations the obligations under which constitute Secured Obligations, (e) each counterparty to any Swap Agreement the obligations under which constitute Secured Obligations and (f) the successors and assigns of each of the foregoing.

“ Security Agreement ” means that certain Amended and Restated Pledge and Security Agreement, dated as of the date hereof, between the Loan Parties and the Administrative Agent, for the benefit of the Administrative Agent and the Lenders and the other holders of the Secured Obligations, and any other pledge or security agreement securing the Secured Obligations entered into after the date of this Agreement by any other Loan Party (as required by this Agreement or any other Loan Document) or any other Person, as the same may be amended, restated or otherwise modified from time to time.

“ Specified Transactions ” means (a) dispositions of an operating unit, business or Restricted Subsidiary, (b) an Investment (by merger or otherwise) in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary), (c) an acquisition of property which constitutes all or substantially all of an operating unit of a business, in each case, to the extent permitted hereunder, (d) any designation of a Person as a Restricted Subsidiary or as an Unrestricted Subsidiary, (e) any Restricted Payment that by the terms of this Agreement requires pro forma compliance with a test or covenant hereunder or requires such test or covenant to be calculated on a pro forma basis or (f) the taking of any action which would result in a pro forma adjustment to EBITDA pursuant to clause (a)(vii) of the definition thereof.

“ Sponsor ” means TSG Consumer Partners, LLC.

“ Statutory Reserve Rate ” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the

Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“ Subordinated Indebtedness ” of a Person means any Indebtedness of such Person, the payment of which is subordinated to payment of the Secured Obligations.

“ subsidiary ” means, with respect to any Person (the “ parent ”) at any date, any corporation, limited liability company, partnership, association or other entity, the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, or (b) that is, as of such date, otherwise Controlled by the parent and/or one or more subsidiaries of the parent.

“ Subsidiary ” means any direct or indirect subsidiary of the Borrower or of any other Loan Party.

“ Swap Agreement ” means any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or any option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Restricted Subsidiaries shall be a Swap Agreement.

“ Swap Obligations ” of a Loan Party means any and all obligations of such Loan Party, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction.

“ Swingline Exposure ” means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the aggregate Swingline Exposure at such time.

“ Swingline Lender ” means JPMorgan Chase Bank, N.A., in its capacity as lender of Swingline Loans hereunder. Any consent required of the Administrative Agent or the Issuing Bank shall be deemed to be required of the Swingline Lender and any consent given by JPMorgan Chase Bank, N.A. in its capacity as Administrative Agent or Issuing Bank shall be deemed given by JPMorgan Chase Bank, N.A. in its capacity as Swingline Lender as well.

“ Swingline Loan ” means a Loan made pursuant to Section 2.05 .

“ Taxes ” means any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Commitment” means ~~with respect to each Lender, the commitment, if any, of such Lender to make Term Loans, expressed as an amount representing the maximum principal amount of the Term Loans to be made by such Lender. The initial amount of each Lender’s Term Commitment is set forth on the Commitment Schedule, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its an Original Term Commitment and/or a New Term Commitment, as applicable. The initial aggregate amount of the Lenders’ Term Commitment is \$390,000,000.~~

~~“Term Lender” means a Lender having a Term Commitment or an outstanding Term Loan.~~

~~“Term Loan” means a Loan made pursuant to Section 2.01(b).~~

“Term Lender” means an Original Term Lender and/or a New Term Lender, as applicable.

“Term Loan” means an Original Term Loan and/or a New Term Loan, as applicable.

“Term Loan Initial Margin” has the meaning assigned to it in the definition of “Applicable Rate”.

“Term Maturity Date” means March 31, 2021.

“Total Indebtedness” means the sum of, without duplication, at any date, outstanding on such date, prepared as of such date on a consolidated basis in accordance with GAAP for the Borrower and its Restricted Subsidiaries (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with transactions pursuant to the Acquisition Agreement and any Investment or any other acquisition permitted hereunder), (i) total funded Indebtedness for borrowed money, (ii) the principal portion of Capital Lease Obligations, (iii) any drawings on Letters of Credit (which have not been reimbursed within two (2) Business Days after such amount is drawn (it being understood that any borrowing, whether automatic or otherwise, to fund such reimbursement shall be counted)), (iv) all obligations for the deferred purchase price of property or services, including earn outs in respect of acquisitions (excluding (x) current accounts payable or accrued expenses incurred in the ordinary course of business and (y) all contingent unliquidated obligations of such Person in respect of earn outs and other contingent payments in respect of acquisitions) and (v) all guarantee obligations in respect of any of the foregoing. For the avoidance of doubt, Total Indebtedness shall not include any Indebtedness in respect of obligations under Swap Agreements (but including unpaid termination payments under Swap Agreements).

“Total Leverage Ratio” means, on any date, the ratio of (a) the difference between (i) Total Indebtedness on such date to (b) EBITDA for the period of four consecutive fiscal quarters ended on or most recently prior to such date.

“Total Net Leverage Ratio” means, on any date, the ratio of (a) the difference between (i) Total Indebtedness on such date less (ii) the amount of Unrestricted Cash and Unrestricted Cash Equivalents of the Loan Parties not at any time to exceed \$20,000,000 on such date to (b) EBITDA for the period of four consecutive fiscal quarters ended on or most recently prior to such date.

“Trading with the Enemy Act” has the meaning assigned to such term in Section 3.19 .

“Transformative Acquisition” shall mean any material acquisition by Holdings or any Restricted Subsidiary which requires an amendment, modification or waiver of the terms of this Agreement in order to consummate such acquisition.

“Transactions” means the execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents, the borrowing of Loans and other credit extensions, the use of the proceeds thereof, the issuance of Letters of Credit hereunder and the payment of expenses and fees in connection with the Transactions.

“2015 Special Distribution” means an aggregate cash distribution of \$140,000,000 from Holdings to any direct or indirect parent thereof, to be paid from the proceeds of an aggregate cash distribution of \$140,000,000 from the Borrower to Holdings.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

“UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York or in any other state, the laws of which are required to be applied in connection with the issue of perfection of security interests.

“Unliquidated Obligations” means, at any time, any Secured Obligations (or portion thereof) that are contingent in nature or unliquidated at such time, including any Secured Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including any Guarantee) that is contingent in nature at such time; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

“Unrestricted” shall mean, when referring to cash or Cash Equivalents of the Borrower or any of its Restricted Subsidiaries, that such cash or Cash Equivalents are not Restricted.

“Unrestricted Subsidiary” means (a) any Subsidiary of the Borrower designated by the Borrower as an Unrestricted Subsidiary hereunder by written notice to the Administrative Agent; provided that the Borrower shall only be permitted to so designate a Subsidiary as an Unrestricted Subsidiary after the Effective Date and so long as (i) such Subsidiary was not an Unrestricted Subsidiary that was redesignated as a Restricted Subsidiary, (ii) immediately after giving effect to such designation, Holdings, the Borrower and its Restricted Subsidiaries shall be in compliance, on a pro forma basis, with the financial covenant in Section 6.12, (iii) such Unrestricted Subsidiary shall be capitalized (to the extent capitalized by Holdings, the Borrower or any of its Restricted Subsidiaries) through Investments as permitted by, and in compliance with Section 6.04, (iv) without duplication of clause (iii), the fair market value of the net assets owned by such Unrestricted Subsidiary at the time of the initial designation thereof attributable to Holdings’, the Borrower or its Restricted Subsidiaries’ Equity Interests therein shall be treated as Investments pursuant to Section 6.04, (v) each of (x) the Subsidiary to be so designated and (y) 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 Holdings, the Borrower or any Restricted Subsidiary and (vi) no Unrestricted Subsidiary shall own any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, Holdings or any Subsidiary of Holdings (other than any Subsidiary of the Subsidiary to be so designated or an Unrestricted Subsidiary), (b) any Subsidiary of an Unrestricted Subsidiary. Any such designation by the board of directors of the Borrower shall be notified by the Borrower to the Administrative Agent by promptly delivering to the Administrative Agent a copy of the board resolution giving effect to such designation and a certificate of an authorized officer of the Borrower certifying that such designation complied with the foregoing provisions.

“U.S.” means the United States of America.

“ U.S. Person ” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“ U.S. Tax Compliance Certificate ” has the meaning assigned to such term in Section 2.17(f)(ii)(B)(3) .

“ USA PATRIOT Act ” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

“ Weighted Average Life to Maturity ” shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the then outstanding principal amount of such Indebtedness into (ii) the product obtained by multiplying (x) the amount of each then remaining installment or other required scheduled payments of principal, including payment at final maturity, in respect thereof, by (y) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; provided that for purposes of determining the Weighted Average Life to Maturity of any Refinanced Debt, any Refinanced Debt (as defined in the definition of Refinancing Indebtedness) or any other Indebtedness that is being modified, refinanced, refunded, renewed, replaced or extended (the “ Applicable Indebtedness ”), the effects of any amortization or prepayments made on such Applicable Indebtedness prior to the date of the applicable modification, refinancing, refunding, renewal, replacement or extension shall be disregarded.

“ wholly owned ” means, with respect to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which (other than (x) director’s qualifying shares and (y) nominal shares issued to foreign nationals to the extent required by applicable Law) are owned by such Person and/or by one or more wholly owned Subsidiaries of such Person.

“ Withdrawal Liability ” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings . For purposes of this Agreement, Loans may be classified and referred to by Class (e.g. , a “Revolving Loan”) or by Type (e.g. , a “Eurodollar Loan”) or by Class and Type (e.g. , a “Eurodollar Revolving Loan”). Borrowings also may be classified and referred to by Class (e.g. , a “Revolving Borrowing”) or by Type (e.g. , a “Eurodollar Borrowing”) or by Class and Type (e.g. , a “Eurodollar Revolving Borrowing”).

SECTION 1.03. 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, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) 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, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference in any definition to the phrase “at any time” or “for any period” shall refer to the same time or period for all calculations or determinations within such definition, as applicable, and (f) 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.

SECTION 1.04. Accounting Terms; GAAP . Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if after the date hereof there occurs any change in GAAP or in the application thereof on the operation of any provision hereof and the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of such change occurring after the Effective Date in GAAP or in the application thereof on the operation of such provision; provided , the Borrower and the Administrative Agent shall negotiate in good faith to amend the financial definitions and related covenants to preserve the original intent thereof in light of such change (and such amendments to be subject to the approval of the Required Lenders); (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith (provided , that in the case of any amendment that is solely for such an accounting change described in the Proposed Accounting Standards Update to Leases (Topic 840) dated August 17, 2010, and the Proposed Accounting Standards Update (Revised) to Revenue Recognition (Topic 605) dated November 14, 2011 and January 4, 2012, there shall be no amendment fees paid to the Lenders (but the Borrower shall be responsible for costs and expenses in accordance with the terms of this Agreement). Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Financial Accounting Standards Board Accounting Standards Codification 825 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of any Loan Party at “fair value”, as defined therein.

SECTION 1.05. Pro Forma Adjustments for Acquisitions and Dispositions . Notwithstanding anything to the contrary contained herein, financial ratios and tests (including the Total Leverage Ratio, Total Net Leverage Ratio and First Lien Net Leverage Ratio (including component definitions thereof)) pursuant to this Agreement shall be calculated on a “pro forma basis.” “ **pro forma basis** ” or “ **pro forma effect** ” shall mean that (A) to the extent applicable, the Pro Forma Adjustment shall have been made and (B) all Specified Transactions and the transactions described in clause (ii) below (1) shall be deemed to have occurred as of the first day of the applicable period of measurement with respect to any test or covenant for which such calculation is being made and (2) the proceeds (if any) from the incurrence of Indebtedness shall not be used for purposes of cash netting in the calculation of Total Net Leverage Ratio and First Lien Net Leverage Ratio to the extent compliance with such ratio is required to incur such Indebtedness (i) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction (x) in the case of a Specified Transaction described in clauses (a) and (d) (in the case of a designation of an Unrestricted Subsidiary) of the definition thereof, shall be excluded and (y) in the case of a Specified Transaction described in clause (b) , (c) or (d) (in the case of the designation of a Restricted Subsidiary) of the definition thereof (including the Effective Date Purchase), shall be included, (ii) in the case of any incurrence, retirement or repayment by the Borrower or any of its Restricted Subsidiaries of Indebtedness, (x) the discharge of any other Indebtedness retired or repaid with the proceeds of such incurred Indebtedness shall be calculated as if such discharge had occurred on the first day of the applicable period of measurement and (y) in the event the Equity Interests of any Restricted Subsidiary is sold during the period, the Borrower shall be deemed, to have repaid during such period the Indebtedness of such Restricted Subsidiary to the extent the Borrower and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale); provided that, in the case of this clause (ii) , if such Indebtedness has a floating or formula rate, such Indebtedness shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate that is or

would be in effect with respect to such Indebtedness at the relevant date of determination (taking into account any interest hedging arrangements applicable to such Indebtedness); provided that, without limiting the application of the Pro Forma Adjustment pursuant to clause (i) above (but without duplication thereof or in addition thereto), the foregoing pro forma adjustments described in clause (i) above may be applied to a test or covenant solely to the extent that such adjustments are consistent with the definition of “EBITDA” and give effect to events (including operating expense reductions) that are consistent with the definition of the term “Pro Forma Adjustment”.

Notwithstanding anything to the contrary herein, when calculating the Total Leverage Ratio or Total Net Leverage Ratio solely for the purposes of (i) Section 6.12 (as opposed to any test of the Total Net Leverage Ratio (including pro forma compliance with Section 6.12) as a condition or qualification to any permitted activity), (ii) Section 2.11(c) and the definition of Applicable Rate, the events described in this Section 1.05 that occurred subsequent to the end of the applicable four quarter period for which such ratio is being tested shall not be given pro forma effect.

In addition, when calculating the Total Net Leverage Ratio or First Lien Net Leverage Ratio for purposes of determining whether a condition or qualification to any permitted activity is satisfied (including pro forma compliance with Section 6.12), the applicable ratio will be calculated with reference to, and shall be based on, the most recently ended four-quarter period for which internal financial statements of the Borrower are available. Further, subject to the limitation described in clause (B)(2) of this Section 1.05, when determining the amount of Unrestricted Cash of the Loan Parties on a pro forma basis when calculating the Total Net Leverage Ratio or First Lien Net Leverage Ratio for purposes of determining whether a condition or qualification to any permitted activity is satisfied (including pro forma compliance with Section 6.12), the amount of Unrestricted Cash shall be the actual cash balance as of the applicable date of determination, giving pro forma effect to such Unrestricted Cash balance only as a result of the activity(ies) in respect of which such pro forma determination is being made.

Notwithstanding anything to the contrary herein, solely for the purposes of calculating the Available Amount, Net Income shall not be calculated on a pro forma basis.

SECTION 1.06. Currency Generally . For purposes of determining compliance with Article VI with respect to any amount of Indebtedness, Lien or Investment 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 Indebtedness or Investment is incurred (so long as such Indebtedness or Investment, at the time incurred, made or acquired, was permitted hereunder). For purposes of determining the Total Leverage Ratio, Total Net Leverage Ratio and First Lien Net Leverage Ratio, amounts in currencies other than Dollars shall be translated into Dollars at the currency exchange rates used in preparing the most recently delivered financials statements.

ARTICLE II

The Credits

SECTION 2.01. Commitments . (a) Subject to the terms and conditions set forth herein, each Lender severally agrees to make Revolving Loans in dollars to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in (i) such Lender’s Revolving Exposure exceeding such Lender’s Revolving Commitment or (ii) the Aggregate Revolving Exposure exceeding the aggregate Revolving Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

(b) Subject to the terms and conditions set forth herein, each Original Term Lender severally agrees to make a an Original Term Loan in dollars to the Borrower, on the Effective Date, in a principal amount not to exceed such Lender's Original Term Commitment. Amounts prepaid or repaid in respect of Original Term Loans may not be reborrowed.

(c) Subject to the terms and conditions set forth herein, each New Term Lender severally agrees to make a New Term Loan in dollars to the Borrower, on the First Amendment Effective Date, in a principal amount not to exceed such Lender's New Term Commitment. Amounts prepaid or repaid in respect of New Term Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings .

(a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Class. Any Swingline Loan shall be made in accordance with the procedures set forth in Section 2.05 . The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder.

(b) Subject to Section 2.14 , each Revolving Borrowing and Term Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith, provided that all Revolving Borrowings and Term Borrowings made on the Effective Date must be made as ABR Borrowings but may be converted into Eurodollar Borrowings in accordance with Section 2.08 . Each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement and such Lender shall not be entitled to any amounts payable under Section 2.15 or 2.17 in respect of increased costs resulting from such exercise and existing at the time of such exercise.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$500,000 and not less than \$1,000,000; provided that a Eurodollar Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments of the applicable Class. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$500,000 and not less than \$1,000,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments of the applicable Class or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) . Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of five Eurodollar Borrowings with different Interest Periods outstanding; provided that after the establishment of any new Class of Loans pursuant to an Incremental Facility Agreement (including for Revolving Commitment Increases), Refinancing Amendment or an Extension Amendment, the number of Interest Periods otherwise permitted by this Section 2.02(c) shall increase by three (3) Interest Periods for each applicable Class so established.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Revolving Credit Maturity Date or the Term Maturity Date, as applicable.

SECTION 2.03. Requests for Borrowings . To request a Borrowing, the Borrower shall notify the Administrative Agent of such request either in writing (delivered by hand or fax) in the form attached

hereto as Exhibit B and signed by the Borrower or by telephone (a) in the case of a Eurodollar Borrowing of Revolving Loans, not later than 1:00 p.m., New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing of Revolving Loans, not later than noon, New York City time, on the date of the proposed Borrowing; provided that any such notice of an ABR Revolving Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or fax to the Administrative Agent of a written Borrowing Request and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.01 :

- (i) the Class of Borrowing, the aggregate amount of the requested Borrowing and a breakdown of the separate wires comprising such Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and
- (iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period."

If no election as to the Type of Borrowing is specified, then the requested Revolving Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Revolving Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section , the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. [Reserved].

SECTION 2.05. Swingline Loans .

(a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans to the Borrower, from time to time during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding \$5,000,000 or (ii) the Aggregate Revolving Exposures exceeding the aggregate Revolving Commitments; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Each Swingline Loan shall be in an amount that is an integral multiple of \$500,000 and not less than \$1,000,000; provided that a Swingline Loan may be in an aggregate amount that is equal to the entire unused balance of the total Revolving Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) . Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans. To request a Swingline Loan, the Borrower shall notify the Administrative Agent of such request by telephone (confirmed by fax), not later than 2:00 p.m., New York City time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of a credit to the Funding Account(s) or such other account as may be specified in a Borrowing Request (or, in

the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) , by remittance to the Issuing Bank, and in the case of repayment of another Loan or fees or expenses as provided by Section 2.18(c) , by remittance to the Administrative Agent to be distributed to the Lenders) by 4:00 p.m., New York City time, on the requested date of such Swingline Loan.

(b) The Swingline Lender may by written notice given to the Administrative Agent not later than 11:00 a.m., New York City time, on any Business Day require the Revolving Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which the Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Revolving Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Revolving Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis , to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Revolving Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Revolving Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

SECTION 2.06. Letters of Credit .

(a) General . Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit as the applicant thereof for its own account or for the account of any Restricted Subsidiary, in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, and the Issuing Bank shall issue such Letters of Credit, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions . To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or fax (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or

extension, but in any event no less than three Business Days) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. It is understood that the reinstatement of all or a portion of a Letter of Credit in accordance with the terms thereof following a drawing thereunder shall not constitute an amendment, renewal or extension of such Letter of Credit. If requested by the Issuing Bank, the Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed \$5,000,000 and (ii) the Aggregate Revolving Exposure shall not exceed the aggregate Revolving Commitments.

(c) Expiration Date . Each Letter of Credit shall expire (or be subject to termination or non-renewal by notice from the Issuing Bank to the beneficiary thereof) at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after the then-current expiration date of such Letter of Credit, so long as such renewal or extension occurs within three months of such then-current expiration date) or (ii) the date that is five Business Days prior to the Revolving Credit Maturity Date; provided that (x) any Letter of Credit with a one year tenor may provide for the renewal thereof for additional one year periods (which shall in no event extend beyond the date referred to in clause (ii) above) under customary "evergreen" provisions and (y) if acceptable to the Issuing Bank, Letters of Credit may have expiration dates after the date the Revolving Credit Maturity Date so long as on the Revolving Credit Maturity Date any such Letter of Credit is cash collateralized in a manner reasonably satisfactory to the Issuing Bank or such other arrangements as may be acceptable to the Issuing Bank have been put in place.

(d) Participations . By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Revolving Lenders, the Issuing Bank hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section , or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement . If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than noon, New York City time, on (i) the Business Day immediately after the Business Day that the Borrower receives notice of such LC Disbursement, if such notice is received prior to 5:00 p.m., New York City time, on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that the Borrower may, subject to the

conditions to borrowing set forth herein, request in accordance with Section 2.03 or Section 2.05 that such payment be financed with an ABR Revolving Borrowing or Swingline Loan in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing or Swingline Loan. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof, and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank, as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute . The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. None of the Administrative Agent, the Revolving Lenders or the Issuing Bank, or any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit, any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures . The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by fax) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement.

(h) Interim Interest . If the Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section 2.06 , then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section 2.06 to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of the Issuing Bank . The Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Revolving Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b) . From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term “Issuing Bank” shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to any outstanding Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization . If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Revolving Lenders with LC Exposure representing greater than 50% of the aggregate LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Lenders (the “ LC Collateral Account ”), an amount in cash equal to 103% of the LC Exposure as of such date plus accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Section 7.01 . The Borrower also shall deposit cash collateral in accordance with this paragraph as and to the extent required by Section 2.11(b) or 2.20 . Each such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Secured Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over the LC Collateral Account and the Borrower hereby grants the Administrative Agent a security interest for the benefit of the Secured Parties in the LC Collateral Account and all moneys or other assets on deposit therein or credited thereto. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower’s risk and expense, such

deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in the LC Collateral Account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Lenders with LC Exposure representing greater than 50% of the aggregate LC Exposure), be applied to satisfy other Secured Obligations. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all such Events of Defaults have been cured or waived.

SECTION 2.07. Funding of Borrowings .

(a) Each Lender shall make each Loan to be made by such Lender hereunder on the proposed date thereof by wire transfer of immediately available funds by 2:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender's Applicable Percentage; provided that Term Loans shall be made as provided in Sections 2.01(b) and 2.02(b) and Swingline Loans shall be made as provided in Section 2.05 . The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to the Funding Account(s) or such other account as may be specified in a Borrowing Request; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Revolving Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections .

(a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section . The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section , the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or fax to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02 :

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the applicable Class of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued as a Eurodollar Borrowing with an Interest Period of one month. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.09. Termination and Reduction of Commitments .

(a) Unless previously terminated, (i) the Original Term Commitments shall terminate at 5:00 p.m., New York City time, on the Effective Date, (ii) the New Term Commitments shall terminate at 5:00 p.m., New York City time, on the First Amendment Effective Date and (§ iii) all the Revolving Commitments shall terminate on the Revolving Credit Maturity Date.

(b) The Borrower may at any time terminate the Revolving Commitments upon (i) the payment in full of all outstanding Revolving Loans and LC Disbursements, together with accrued and

unpaid interest thereon, (ii) the cancellation and return of all outstanding Letters of Credit (or alternatively, with respect to each such Letter of Credit, the furnishing to the Administrative Agent of a cash deposit (or at the discretion of the Administrative Agent a backup standby letter of credit reasonably satisfactory to the Administrative Agent) equal to 100% of the LC Exposure as of such date), (iii) the payment in full of the accrued and unpaid fees, and (iv) the payment in full of all reimbursable expenses and other Obligations together with accrued and unpaid interest thereon.

(c) The Borrower may from time to time reduce the Revolving Commitments; provided that (i) each reduction of the Revolving Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 and (ii) the Borrower shall not reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.10, the Aggregate Revolving Exposure would exceed the aggregate Revolving Commitments.

(d) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Revolving Commitments under paragraph (b) or (c) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Revolving Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or other funding sources, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Revolving Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Revolving Commitments.

SECTION 2.10. Repayment and Amortization of Loans; Evidence of Debt .

(a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Revolving Lender the then unpaid principal amount of each Revolving Loan on the Revolving Credit Maturity Date, and (ii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Revolving Credit Maturity Date and the first date after such Swingline Loan is made that is the 10th day (or if such day is not a Business Day, the next succeeding Business Day) of a calendar month and is at least two Business Days after such Swingline Loan is made; provided that on each date that a Borrowing is made, the Borrower shall repay all Swingline Loans that were outstanding on the date such Borrowing was requested.

(b) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the ratable account of each Term Lender (i) on the last Business Day of each March, June, September and December, (1) commencing with the first full fiscal quarter after the Effective Date until the First Amendment Effective Date, an amount equal to 0.25% of the aggregate principal amount of the Term Loans advanced on the Effective Date and (2) commencing with the first fiscal quarter ended after the First Amendment Effective Date, an amount equal to 0.25% of the sum of (A) the aggregate principal amount of the Term Loans advanced on the Effective Date plus (B) the aggregate principal amount of the New Term Loans advanced on the First Amendment Effective Date (as adjusted from time to time pursuant to Section 2.18(b)), which payments shall be reduced as a result of the application of prepayments in accordance with Section 2.11(f) solely to the extent of any such amounts applied to the prepayment of the Term Loans) and (ii) on the Term Maturity Date, the aggregate principal amount of all Term Loans outstanding on such date; provided that the amount of any such payment set forth above shall be adjusted to account for the addition of any Extended Loans or Incremental Term Loans to contemplate (A) the reduction in the aggregate principal amount of any Term Loans that were converted in connection with the incurrence of such Extended Loans, and (B) any increase to payments to the extent and as required pursuant to the terms of any applicable Incremental Facility Agreement involving a Term Loan Increase to the Term Loans.

(c) The Administrative Agent shall maintain accounts in accordance with its usual practices in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, if any, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11. Prepayment of Loans .

(a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing, without premium or penalty (subject to clause (h) of this Section 2.11 and Section 2.16), in whole or in part, subject to prior notice in accordance with paragraph (f) of this Section .

(b) In the event and on such occasion that the Aggregate Revolving Exposure exceeds the aggregate Revolving Commitments, the Borrower shall prepay the Revolving Loans, LC Exposure and/or Swingline Loans (or, if no such Borrowings are outstanding, deposit cash collateral in the LC Collateral Account in accordance with Section 2.06(j)), in an aggregate amount equal to such excess.

(c) In the event and on each occasion that any Net Proceeds are received by or on behalf of any Loan Party or any of its Restricted Subsidiaries (and Holdings may make Restricted Payments to any direct or indirect parent thereof) in respect of any Prepayment Event, the Borrower shall, promptly after such Net Proceeds are received by such Loan Party or Restricted Subsidiary (and in any case within five Business Days), prepay the Term Loans as set forth in Section 2.11(f) below in an aggregate amount equal to 100% of such Net Proceeds, provided that, in the case of any event described in clause (a) or (b) of the definition of the term "Prepayment Event", if the Borrower shall deliver to the Administrative Agent a certificate of a Financial Officer to the effect that the Loan Parties intend to apply the Net Proceeds from such event (or a portion thereof specified in such certificate), within 360 days after receipt of such Net Proceeds; provided that if a binding commitment to reinvest is entered into within such period, the reinvestment period shall be extended an additional one hundred eighty (180) days from the end of such 360-day period, to acquire, maintain, develop, construct, improve, upgrade or repair assets useful in the business of the Loan Parties or to make any acquisition or investments permitted under Section 6.04, and certifying that no Default has occurred and is continuing, then no prepayment shall be required pursuant to this paragraph in respect of the Net Proceeds specified in such certificate, provided that to the extent of any such Net Proceeds that have not been so applied by the end of such reinvestment period, a prepayment shall be required in an amount equal to such Net Proceeds that have not been so applied.

(d) If at the time that any prepayment would be required pursuant to clause (c) of this Section 2.11, the Borrower (or any Subsidiary) is required to offer to repurchase Permitted Pari Passu Secured Refinancing Debt or any Incremental Equivalent secured on a *pari passu* basis with the Obligations (or, in each case, any Permitted Refinancing thereof that is secured on a *pari passu* basis with the Obligations under Loans required to be secured on a *pari passu* basis) pursuant to the terms of the documentation governing such Indebtedness with the Net Proceeds of such Prepayment Event (such Permitted Pari Passu Secured Refinancing Debt (or Permitted Refinancing thereof) or Incremental Equivalent secured on a *pari passu* basis with the Obligations (or Permitted Refinancing thereof) required to be offered to be so repurchased, “Other Applicable Indebtedness”), then the Borrower may apply such Net Proceeds on a pro rata basis (determined on the basis of the aggregate outstanding principal amount of the Term Loan and Other Applicable Indebtedness at such time; provided that the portion of such Net Proceeds allocated to the Other Applicable Indebtedness shall not exceed the amount of such 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 Loans in accordance with the terms hereof) to the prepayment of the Loans and to the repurchase or prepayment of Other Applicable Indebtedness, and the amount of prepayment of the Loans that would have otherwise been required pursuant to Section 2.11(c) shall be reduced accordingly; provided, further, that to the extent the holders of Other Applicable Indebtedness decline to have such indebtedness repurchased or prepaid, 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 Loans in accordance with the terms hereof.

(e) In the event (i) the Borrower fails to make the Effective Date Purchase within the time period described in the definition thereof (including any extensions) or (ii) the actual purchase price of clubs (and related assets) in connection with the Effective Date Purchase is less than \$36,000,000, then, if the scenario described in clause (i) occurs, \$40,000,000 or if the scenario described in clause (ii) occurs an amount equal to \$40,000,000 less the actual purchase price paid (but not less than zero) shall, promptly but no later than 1 Business Day after such deadline, be applied to prepay the Term Loans as set forth in Section 2.11(f) below in an aggregate amount equal to 100% of the amounts so designated for the Effective Date Purchase, as the case may be.

(f) All prepayments required to be made pursuant to Sections 2.11(c) and (e) shall be applied, first to prepay the Term Loans (and in the event Term Loans of more than one Class shall be outstanding at the time, shall be allocated among the Term Loans pro rata based on the aggregate principal amounts of outstanding Term Loans of each such Class) as so allocated, which prepayments shall be applied to the remaining installments thereof as directed by the Borrower (it being understood and agreed that if the Borrower does not so direct at the time of such prepayment, such prepayment shall be applied against the scheduled repayments of Term Loans under Section 2.10(b) in direct order of maturity) and second to prepay the Revolving Loans (including Swingline Loans) without a corresponding reduction in the Revolving Commitments and third to cash collateralize outstanding LC Exposure.

(g) The Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by fax) of any prepayment under this Section : (i) in the case of prepayment of a Eurodollar Borrowing, not later than 12:00 p.m., New York City time, three Business Days before the date of prepayment, or (ii) in the case of prepayment of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 12:00 p.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that a notice of

optional prepayment (other than any such notice delivered on the date of the proposed prepayment) may state that such notice is conditioned upon the effectiveness of other credit facilities or the receipt of the proceeds from the issuance of other Indebtedness or any other event, in which case such notice of prepayment may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified prepayment date) if such condition is not satisfied. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing or Term Loan shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02 , except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied (i) if applied to Revolving Loans, ratably among each Class of Revolving Loans and (ii) if applied to Term Loans, ratably to each Class of Term Loans (except with respect to any Incremental Term Loans, Refinancing Loans and/or Extending Loans that has agreed to accept less than ratable treatment to any other Class of Term Loans), and to the extent applied to any remaining scheduled installments of principal of any Term Loan pursuant to Section 2.10 , 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). Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13 .

(h) Any Term Lender may elect, by notice to the Administrative Agent by telephone (confirmed by facsimile) at least one Business Days prior to the prepayment date, to decline all or any portion of any prepayment of its Term Loans to be made pursuant to Section 2.11(c) , in which case the aggregate amount of the prepayment that would have been applied to prepay Term Loans was so declined shall be retained by the Borrower (“ Retained Declined Proceeds ”).

(i) In the event that, on or prior to the date that is six (6) months after the First Amendment Effective Date, the Borrower (x) prepays, refinances, substitutes or replaces any Term Loans pursuant to a Repricing Transaction (including, for avoidance of doubt, any prepayment made pursuant to Section 2.11(c) that constitutes a Repricing Transaction), or (y) 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 of the applicable Lenders, (i) in the case of clause (x) , a prepayment premium of 1.00% of the aggregate principal amount of the Loans so prepaid, refinanced, substituted or replaced and (ii) in the case of clause (y) , a fee equal to 1.00% of the aggregate principal amount of the applicable Term Loans outstanding immediately prior to such amendment; provided that no such premium or fee shall apply in the case of any prepayment, refinancings, substitution or replacement of any Term Loans in connection with any Change in Control, Transformative Acquisition or a Qualifying IPO. Such amounts shall be due and payable on the date of effectiveness of such Repricing Transaction.

Notwithstanding any other provisions of this Section 2.11 , to the extent that the Borrower has determined in good faith that repatriation of any of or all the Net Proceeds of any disposition by a foreign Restricted Subsidiary, the Net Proceeds of any casualty event from a foreign Restricted Subsidiary would have material adverse tax consequences with respect to such Net Proceeds, such Net Proceeds so affected will not be required to be applied to repay Term Loans at the times provided in this Section 2.11 but may be retained by the applicable foreign Restricted Subsidiary until such time as such Net Proceeds may be up-streamed or transferred without incurring such tax liability.

SECTION 2.12. Fees .

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee, which shall accrue at the Applicable Rate on the daily amount of the undrawn portion of the Revolving Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which the Lenders’ Revolving Commitments terminate. Accrued commitment fees shall be payable in arrears on the last Business Day of March, June, September

and December of each year and on the date on which the Revolving Commitments terminate, commencing on the last Business Day of June, 2014. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees with respect to Commitments, a Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans and LC Exposure of such Lender (and the Swingline Exposure of such Lender shall be disregarded for such purpose).

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurodollar Revolving Loans on the daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% per annum (or such lesser fee as shall be acceptable to the Issuing Bank) on the daily amount of the LC Exposure attributable to Letters of Credit issued by the Issuing Bank (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees and commissions with respect to the issuance, amendment, cancellation, negotiation, transfer, presentment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the last Business Day of March, 2013; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest .

(a) The Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, during the occurrence and continuance of an Event of Default under clauses (a) , (b) , (h) and (i) of Section 7.01 , (i) all Loans shall bear interest at 2% plus the rate otherwise applicable to such Loans as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount outstanding hereunder, such amount shall accrue at 2% plus the rate applicable to such fee or other obligation as provided hereunder.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed. The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest . If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or fax as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective, and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing.

SECTION 2.15. Increased Costs . (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or the Issuing Bank; or

(ii) impose on any Lender or the Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) , (c) and (e) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender, the Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender, the Issuing Bank or such other Recipient hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender, the Issuing Bank or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Bank or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or the Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor; provided , further , that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments . In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(d) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower to replace a Lender pursuant to Section 2.19(b) , then, in any such event, the Borrower shall

compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Eurodollar Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Eurodollar Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Eurodollar Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.17. Taxes .

(a) Withholding Taxes; Gross-Up; Payments Free of Taxes . Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.17), the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by Loan Parties . The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) Evidence of Payment . As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17 , such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment, or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Borrower . The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Loan Party by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders . Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative

Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. 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 any Loan Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph (e) .

(f) Status of Lenders .

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A) , 2.17(f)(ii)(B) , and 2.17(f)(ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9(or any successor thereto) certifying that such Lender is exempt from or otherwise not subject to U.S. Federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) 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, (x) a certificate substantially in the form of Exhibit C-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) or Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “**U.S. Tax Compliance Certificate**”) and (y) executed originals of IRS Form W-8BEN; or

(4) to the extent a Foreign Lender is not the Beneficial Owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-2 or Exhibit C-3, IRS Form W-9, and/or other certification documents from each Beneficial Owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 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 clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds . If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g) , in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) , the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party 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 paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival . Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Defined Terms . For purposes of this Section 2.17 , the term "Lender" includes any Issuing Bank and the term "applicable law" includes FATCA.

SECTION 2.18. Payments Generally; Allocation of Proceeds; Sharing of Set-offs .

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15 , 2.16 or 2.17 , or otherwise) prior to 3:00 p.m., New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 270 Park Ave, 43rd Floor New York, New York 10017, except payments to be made directly to the Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15 , 2.16 , 2.17 and 9.03 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under any Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) Any proceeds of Collateral received by the Administrative Agent (i) not constituting either (A) a specific payment of principal, interest, fees or other sum payable under the Loan Documents (which shall be applied as specified by the Borrower), (B) a mandatory prepayment (which shall be applied in accordance with Section 2.11) or (C) amounts used to cash collateralize LC Exposure or (ii) after an Event of Default has occurred and is continuing and the Administrative Agent so elects or the Required Lenders so direct, shall be applied ratably first , to pay any fees, indemnities, or expense

reimbursements including amounts then due to the Administrative Agent, the Swingline Lender and the Issuing Bank from the Borrower (other than in connection with Banking Services or Swap Obligations), second , to pay any fees or expense reimbursements then due to the Lenders from the Borrower (other than in connection with Banking Services or Swap Obligations), third , to pay interest then due and payable on the Loans ratably, fourth , to prepay principal on the Loans and unreimbursed LC Disbursements and to pay any amounts owing with respect to Swap Obligations and Banking Services Obligations up to and including the amount most recently provided to the Administrative Agent pursuant to Section 2.22 , ratably (with amounts allocated to the Term Loans of any Class applied to reduce the subsequent scheduled repayments of the Term Loans of such Class to be made pursuant to Section 2.10 ratably based on the amount of such scheduled repayments), fifth , to pay an amount to the Administrative Agent equal to one hundred percent (100%) of the aggregate LC Exposure, to be held as cash collateral for such Obligations, and sixth , to the payment of any other Secured Obligation due to the Administrative Agent or any Lender from the Borrower or any other Loan Party . Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Borrower, or unless a Default is in existence, neither the Administrative Agent nor any Lender shall apply any payment which it receives to any Eurodollar Loan of a Class, except (i) on the expiration date of the Interest Period applicable thereto, or (ii) in the event, and only to the extent, that there are no outstanding ABR Loans of the same Class and, in any such event, the Borrower shall pay the break funding payment required in accordance with Section 2.16 . The Administrative Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments to any portion of the Secured Obligations.

Notwithstanding the foregoing, Secured Obligations arising under Banking Services Obligations or Swap Obligations shall be excluded from the application in clause fourth described above and paid in clause sixth if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may have reasonably requested from the applicable provider of such Banking Services or Swap Obligations.

(c) At the election of the Administrative Agent, all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees and expenses pursuant to Section 9.03), and other sums payable under the Loan Documents that are not paid when due (after any applicable grace period) in accordance with the Loan Documents, subject to five Business Days prior written notice to the Borrower, may be paid from the proceeds of Borrowings made hereunder, whether made following a request by the Borrower pursuant to Section 2.03 or 2.05 or a deemed request as provided in this Section 2.18 or may be deducted from any deposit account of the Borrower maintained with the Administrative Agent. The Borrower hereby irrevocably authorizes, solely to the extent a payment is not paid by a Loan Party by the required time set forth in the Loan Documents (after any applicable grace period) (i) the Administrative Agent to make a Borrowing for the purpose of paying each payment of principal, interest and fees due hereunder or any other amount due under the Loan Documents and agrees that all such amounts charged shall constitute Loans (including Swingline Loans), and that all such Borrowings shall be deemed to have been requested pursuant to Sections 2.03 or 2.05 , as applicable, and (ii) the Administrative Agent to charge any deposit account of the Borrower maintained with the Administrative Agent for each payment of principal, interest and fees due hereunder or any other amount due under the Loan Documents.

(d) If, except as otherwise expressly provided herein, any Lender shall, by exercising any right of set off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans, Commitments or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements or Swingline Loans and accrued interest thereon than the proportion received by any other similarly situated Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements or Swingline Loans of

other Lenders to the extent necessary so that the benefit of all such payments shall be shared by all such Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans, Commitments and participations in LC Disbursements or Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment or sale of a participation in any of its Loans, Commitments or participations in LC Disbursements and Swingline Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) If any Lender shall fail to make any payment required to be made by it pursuant to Sections 2.05 , 2.06(d) or (e) , 2.07(b) , 2.18(e) or 9.03(c) hereunder, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent, the Swingline Lender or the Issuing Bank to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under such Sections. Application of amounts pursuant to (i) and (ii) above shall be made in such order as may be determined by the Administrative Agent in its discretion.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders .

(a) If any Lender or the Issuing Bank requests compensation under Section 2.15 , or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender, the Issuing Bank or any Governmental Authority for the account of any Lender pursuant to Section 2.17 , then such Lender or the Issuing Bank, as applicable, shall use reasonable efforts to designate a different lending office for funding or booking its Loans, LC Disbursements or participations in LC Disbursements (as applicable) hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or the Issuing Bank, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17 , as the case may be, in the future and (ii) would not subject such Lender or the Issuing Bank to any unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Lender or the Issuing Bank. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the Issuing Bank in connection with any such designation or assignment.

(b) If any Lender or the Issuing Bank requests compensation under Section 2.15 , or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender, the Issuing Bank or any Governmental Authority for the account of any Lender or the Issuing Bank) pursuant to Section 2.17 , or if any Lender or the Issuing Bank becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender or the Issuing Bank and the Administrative Agent, require such Lender or the Issuing Bank to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement and the other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender or another Issuing Bank, if a Lender or the Issuing Bank accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and in circumstances where its consent would be required under Section 9.04 , the Issuing Bank), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and funded participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, 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) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17 , such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and 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 2.20. Defaulting Lenders . Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Term Loans and Revolving Commitment of such Defaulting Lender pursuant to Section 2.12(a) ;

(b) to the extent permitted by applicable law, (i) any voluntary prepayment of Revolving Loans shall, if the Borrower so directs at the time of making such voluntary prepayment, be applied to the Revolving Loans of other Lenders as if such Defaulting Lender had no Revolving Loans outstanding and the Revolving Exposure of such Defaulting Lender were zero, and (ii) any mandatory prepayment of the Revolving Loans shall, if the Borrower so directs at the time of making such mandatory prepayment, be applied to the Revolving Loans of other Lenders, but not to the Revolving Loans of such Defaulting Lender, it being understood and agreed that the Borrower shall be entitled to retain any portion of any mandatory prepayment of the Revolving Loans that is not paid to such Defaulting Lender solely as a result of the operation of the provisions of this clause (b) ;

(c) such Defaulting Lender shall not have the right to vote on any issue on which voting is required (other than to the extent expressly provided in Section 9.02(b)) and the Commitment and Revolving Exposure and, if applicable, Term Loans of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder or under any other Loan Document; provided that this clause (c) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender affected thereby, except (i) such Defaulting Lender's Commitment may not be increased or extended without its consent and (ii) the principal

amount of, or interest or fees payable on, Loans or LC Disbursements may not be reduced or excused or the scheduled date of payment may not be postponed as to such Defaulting Lender without such Defaulting Lender's consent;

(d) if any Swingline Exposure or LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent that (x) the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), (y) the sum of all non-Defaulting Lenders' Revolving Exposures plus such Defaulting Lender's Swingline Exposure and LC Exposure does not exceed the total of all non-Defaulting Lenders' Revolving Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize, for the benefit of the Issuing Bank, the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Sections 2.12(a) and 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(e) so long as such Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and such Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.20(d), and participating interests in any such newly made Swingline Loan or newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.20(d)(i) (and such Defaulting Lender shall not participate therein).

In the event that each of the Administrative Agent, the Borrower, the Swingline Lender and the Issuing Bank agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Commitment and on the date of such readjustment such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

SECTION 2.21. Returned Payments . If after receipt of any payment which is applied to the payment of all or any part of the Obligations, the Administrative Agent or any Lender is for any reason compelled to surrender such payment or proceeds to any Person because such payment or application of proceeds is invalidated, declared fraudulent, set aside, determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason, then the Obligations or part thereof intended to be satisfied shall be revived and continued and this Agreement shall continue in full force as if such payment or proceeds had not been received by the Administrative Agent or such Lender. The provisions of this Section 2.21 shall be and remain effective notwithstanding any contrary action which may have been taken by the Administrative Agent or any Lender in reliance upon such payment or application of proceeds. The provisions of this Section 2.21 shall survive the termination of this Agreement.

SECTION 2.22. Banking Services and Swap Agreements . Each Lender or Affiliate thereof providing Banking Services for, or having Swap Agreements with, any Loan Party or any of its Restricted Subsidiaries shall deliver to the Administrative Agent, promptly after entering into such Banking Services or Swap Agreements, written notice setting forth the aggregate amount of all Banking Services Obligations and Swap Obligations of such Loan Party to such Lender or Affiliate (whether matured or unmatured, absolute or contingent). In furtherance of that requirement, each such Lender or Affiliate thereof shall furnish the Administrative Agent, upon the reasonable request of the Administrative Agent, a summary of the amounts due or to become due in respect of such Banking Services Obligations and Swap Obligations. The most recent information provided to the Administrative Agent shall be used in determining which tier of the waterfall, contained in Section 2.18(b) , in which such Banking Services Obligations and/or Swap Obligations will be placed.

SECTION 2.23. Increase in Commitments.

(a) The Borrower may at any time or from time to time after the Effective Date, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly deliver a copy to each of the Lenders), request (x) one or more new commitments which may be of the same Class as any outstanding Term Loans (a “Term Loan Increase”) or a new Class of Term Loans (collectively with any Term Loan Increase, the “Incremental Term Loans”), or (y) one or more increases in the amount of the Revolving Commitments (each such increase, a “Revolving Commitment Increase”, together with any Incremental Term Loans, referred to herein as an “Incremental Facility”), provided that (i) at the time of each such request and upon the effectiveness of each Incremental Facility, (x) no Default or Event of Default has occurred and is continuing or would result therefrom (except, notwithstanding the requirements of Section 4.02 , at the option of the Borrower in connection with an acquisition, in lieu of such condition, (A) no Event of Default shall be continuing at the time of execution of the applicable contract or agreement for such acquisition and (B) no Event of Default under Sections 7.01(a) , (b) , (h) or (i) shall be continuing at the time of making such acquisition)) and (y) the condition in Section 4.02(b) shall be satisfied (except, notwithstanding the requirements of Section 4.02 , at the option of the Borrower in connection with an acquisition, in lieu of such condition, such representations shall be limited to the Specified Representations (as defined in the Existing Credit Agreement, which shall be conformed as reasonably necessary for such acquisition to provide for certainty of funding in connection with such transaction)), (ii) no Lender shall be

obligated to provide an Incremental Facility as a result of any such request by the Borrower, and until such time, if any, as such Lender has agreed in its sole discretion to provide an Incremental Facility and executed and delivered to the Administrative Agent and the Borrower an Incremental Facility Agreement as provided in clause (c) of this Section 2.23, such Lender shall not be obligated to fund any Incremental Facility, (iii) any Lender may so provide an Incremental Facility without the consent of any other Lender, (iv) Incremental Facilities shall be denominated in dollars, (v) the Incremental Loan Commitment Requirements shall have been satisfied, and (vi) the provision of Incremental Facilities pursuant to this Section 2.23 on a given date pursuant to a particular Incremental Facility Agreement shall be in a minimum aggregate amount of \$5,000,000 (provided that such amount may be less than \$5,000,000 if such amount represents all remaining availability under the limit set forth in the next sentence). Notwithstanding anything to the contrary herein, the aggregate amount of the Incremental Facilities shall not exceed the sum of (the “ Incremental Cap ”): (i) \$75,000,000 plus (ii) an amount so long as, in the case of this clause (ii), the First Lien Net Leverage Ratio would not exceed 0.25:1.00 below the First Lien Net Leverage Ratio on the First Amendment Effective Date, calculated at the time of incurrence on a pro forma basis after giving effect thereto and the application of the proceeds thereof, and assuming any such Incremental Facility is secured on a first lien basis, whether or not so secured (and, in the case of any Revolving Commitment Increase, assuming a full drawing of such Revolving Commitment Increase). The amount of such Incremental Facility together with any Incremental Equivalent Debt shall not exceed the Incremental Cap.

(b) The Incremental Term Loans (i) shall rank *pari passu* in right of payment and *pari passu* or junior (subject to an intercreditor agreement reasonably satisfactory in form and substance to the Administrative Agent) with respect to security with the existing Term Loans, shall not be guaranteed by any Person that has not guaranteed the existing Term Loans and shall not be secured by assets other than Collateral; (ii) shall mature on such date and amortize on such schedule as each may be agreed by the Borrower and the Lenders providing such Incremental Term Loan, provided that, as of the date of incurrence, no Incremental Term Loan shall mature earlier than the Term Maturity Date and, as of the date of incurrence, each Incremental Term Loan shall have a Weighted Average Life to Maturity that is no shorter than the then remaining Weighted Average Life to Maturity of the existing Term Loans; (iii) except with respect to the applicable interest rate (subject to clause (e) below) and as set forth in this clause (b), shall be on terms and pursuant to documentation determined by the Borrower and the Additional Lenders providing the Incremental Term Loans, (iv) may participate on a pro rata basis or less than pro rata basis (but not on a greater than pro rata basis (except in respect of any voluntary prepayments of any Class of Loans with an earlier maturity date than any other Class of Loans)) in any voluntary or mandatory prepayments of Loans hereunder; and (v) may include any Previously Absent Financial Covenant so long as the Administrative Agent shall have been given prompt written notice thereof and this Agreement is amended to include such Previously Absent Financial Covenant for the benefit of each Class (provided, however, that if (x) the documentation governing any Incremental Facility that includes a Previously Absent Financial Covenant in respect of and for the benefit of an Incremental Revolving Commitment only and (y) such Previously Absent Financial Covenant is a “springing” financial maintenance covenant solely for the benefit of a Class of Revolving Loans (and not any Class of Term Loans), the Previously Absent Financial Covenant shall only be required to be included in this Agreement for the benefit of Revolving Loans); provided that (x) the terms and conditions applicable to the Incremental Loans may also include any additional or different financial or other covenants or other provisions that are agreed between the Borrower and the Lenders thereof so long as such additional covenants or other provisions are applicable only during periods after the latest Maturity Date for the Term Loans in effect on the date the Incremental Loans are issued, incurred or obtained or the date on which all non-refinanced Obligations are paid in full and (y) to the extent such terms and documentation are not consistent with the existing Term Loans (except with respect to the applicable interest rate, upfront fees, original issue discount or similar fees and as otherwise set forth in this paragraph), such terms and documentation shall be reasonably satisfactory to the Administrative Agent; provided, further, that (x) any Incremental Term Loans that rank *pari passu* in right of security and are issued pursuant to an agreement other than this Agreement shall be in the form of notes

and not loans and (y) to the extent such Incremental Term Loans rank junior with respect to security with the existing Term Loans, such Incremental Term Loans shall be subject to an intercreditor arrangement reasonably satisfactory to the Administrative Agent.

(c) Each notice from the Borrower pursuant to this Section 2.23 shall set forth the requested amount and proposed terms of the relevant Incremental Facility. Incremental Term Loans may be made, and Revolving Commitment Increases may be provided, by any existing Lender or by any other bank or other financial institution (any such other bank or other financial institution being called an “ Additional Lender ”), provided that the Borrower and the Administrative Agent and, in the case of a Revolving Commitment Increase, the Issuing Bank and each Swingline Lender shall have consented (such consents not to be unreasonably withheld, conditioned or delayed) to such Lender’s or Additional Lender’s making such Incremental Term Loans or providing such Revolving Commitment Increases, as applicable. Commitments in respect of Incremental Facilities shall become effective pursuant to an amendment (an “ Incremental Facility Agreement ”) to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Lender agreeing to provide such Incremental Facilities, if any, each Additional Lender, if any, and the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed). The Incremental Facility Agreement 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 2.22 . The effectiveness of any Incremental Facility Agreement shall be subject to the satisfaction on the date thereof (each, an “ Incremental Facility Effective Date ”) of each of the conditions set forth in Section 4.02 (other than as set forth in clause (a) of this Section 2.23) and such other conditions as the parties thereto shall agree.

(d) The Borrower will use the proceeds of the Incremental Term Loans and Revolving Commitment Increases for any purpose not prohibited by this Agreement. No Lender shall be obligated to provide any Incremental Facility, unless it so agrees in writing. Upon each increase in the Revolving Credit Commitments pursuant to this Section 2.23 , 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 the Revolving Commitment Increase (each, a “ Revolving Commitment Increase Lender ”) in respect of such increase, and each such Revolving Commitment Increase 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 Swingline Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding (i) participations hereunder in Letters of Credit and (ii) participations hereunder in Swingline Loans held by each Revolving Lender (including each such Revolving Commitment Increase Lender) will equal the percentage of the aggregate Revolving Commitments of all Revolving Lenders represented by such Revolving Lender’s Revolving Credit Commitment. In addition, (x) each of the Revolving Credit Lenders immediately prior to such increase shall assign to each Revolving Commitment Increase Lender and each of the Incremental Revolving Credit Lenders shall purchase from each of the Revolving Credit Lenders, at the principal amount thereof, such interests in the Incremental Revolving Loans outstanding on such Incremental Facility Agreement closing date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Loans will be held by existing Revolving Credit Lenders and Revolving Commitment Increase Lender ratably in accordance with their Revolving Credit Commitments after giving effect to the addition of such Revolving Commitment Increases, (y) each Incremental Revolving Credit Commitment shall be deemed for all purposes a Revolving Credit Commitment and each Loan made thereunder shall be deemed, for all purposes, a Revolving Credit Loan and (z) each Incremental Revolving Credit Lender shall become a Lender with respect to the Incremental Revolving Credit Commitments and all matters relating thereto. 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 two preceding sentences so long as the Revolving Lenders and Term Lenders do not receive less than pro rata treatment.

(e) The All-In Yield applicable to the Incremental Facility, that is secured on a *pari passu* basis with the Obligations, shall be determined by the Borrower and the applicable lenders and shall be set forth in each applicable Incremental Facility Agreement; provided, however, that (A) with respect to any Incremental Facility, the All-In Yield applicable to such Incremental Facility shall not be greater than the applicable All-In Yield payable pursuant to the terms of this Agreement as amended through the date of such calculation with respect to Loans existing at such time plus 50 basis points per annum unless the interest rate (together with, as provided in the proviso below, the Adjusted LIBO Rate floor or Alternate Base Rate floor) with respect to such Loans is increased so as to cause the then applicable All-In Yield under this Agreement on such Loans to equal the All-In Yield then applicable to the Incremental Facility minus 50 basis points; provided that any increase in All-In Yield to any Loan due to the application or imposition of a Adjusted LIBO Rate floor or Alternate Base Rate floor on any Incremental Facility shall be effected solely through an increase in (or implementation of, as applicable) of a Adjusted LIBO Rate floor or Alternate Base Rate floor for such Loan. For the avoidance of doubt this clause (e) shall not apply to Incremental Equivalent Debt incurred in compliance with clause (f) below.

(f) The Borrower may, upon notice to the Administrative Agent, at any time or from time to time after the Effective Date, issue, incur or otherwise obtain Indebtedness of the Borrower (and any refinancing thereof) in respect of one or more series of senior or subordinated notes (which may be unsecured or secured on a *pari passu* or junior lien basis with the Obligations under the initial Loans), in each case issued in a public offering, Rule 144A or other private placement or bridge in lieu of the foregoing, or senior or subordinated mezzanine Indebtedness (which may be in the form of loans or notes and limited to being unsecured or secured solely on a junior lien basis), in each case, that are issued or made in lieu of Incremental Facility (the “Incremental Equivalent Debt”); provided that (i) if such Incremental Equivalent Debt is secured, the obligations in respect thereof shall not be secured by any Lien on any asset of any Loan Party or any Restricted Subsidiary other than any asset constituting Collateral and such Incremental Equivalent Debt shall not be subject to any guarantee by any Person other than the Loan Guarantors, (ii) if such Incremental Equivalent Debt is (x) secured on a *pari passu* or junior basis with the Obligations under the initial Loans, then such Incremental Equivalent Debt shall be subject to an intercreditor agreement that is reasonably satisfactory, in form and substance, to the Administrative Agent and the Borrower or (y) unsecured and subordinated to the Obligations, then such Incremental Equivalent Debt shall be subject to a lien subordination and intercreditor arrangement reasonably satisfactory, in form and substance, to the Administrative Agent and the Borrower, (iii) such Incremental Equivalent Debt (A) shall have a final maturity date which is no earlier than ninety-one (91) days after the Latest Maturity Date then existing and (B) shall not have a Weighted Average Life to Maturity which is shorter than the Weighted Average Life to Maturity of the then existing Term Loans, (iv) such Incremental Equivalent Debt shall not be subject to any mandatory redemption or prepayment provisions or rights (except to the extent any such mandatory redemption or prepayment is required to be applied first or pro rata to the Loans and any first lien secured incremental notes required to be secured on a first lien basis and except with respect to customary “AHYDO catch-up payments”, customary offers to repurchase and prepayment events upon a change of control and a customary acceleration right after an event of default), (v) except as otherwise set forth in this clause (f), such Incremental Equivalent Debt shall have covenants and defaults no more restrictive (excluding pricing and optional prepayment or redemption terms), when taken as a whole, than those with respect to the initial Loans (except for covenants or other provisions applicable only to periods after the Latest Maturity Date of the Loan) and such terms and conditions shall be current market terms for such type of Incremental Equivalent Debt (as reasonably determined in good faith by the Borrower), (vi) no Event of Default shall have occurred and be continuing or would exist immediately after giving effect to such incurrence (except, notwithstanding at the option of the Borrower in connection with an acquisition, in lieu of such condition, (A) no Event of Default shall be continuing at the time of execution of the applicable

contract or agreement for such acquisition and (B) no Event of Default under Sections 7.01(a) , (b) , (h) or (i) shall be continuing at the time of making such acquisition) and (vii) the amount of such Incremental Equivalent Debt together with any Incremental Facility shall not exceed the Incremental Cap.

SECTION 2.24. Refinancing Debt . (a) Refinancing Commitments . The Borrower may at any time or from time to time after the Effective Date, by notice to the Administrative Agent (a “ Refinancing Loan Request ”), request a new Class of Loans (any such new Class, “ Refinancing Commitments ”) established in exchange for, or to extend, renew, replace, repurchase, retire or refinance, in whole or in part, existing Loans or Commitments (with respect to a particular Refinancing Commitment or Refinancing Loan, such existing Loans or Commitments, “ Refinanced Debt ”), whereupon the Administrative Agent shall promptly deliver a copy to each of the Lenders.

(b) Refinancing Loans . Any Refinancing Loans made on a Refinancing Facility Closing Date shall be designated a separate Class of Refinancing Loans for all purposes of this Agreement. On any Refinancing Facility Closing Date on which any Refinancing Commitments of any Class are effected, subject to the satisfaction of the terms and conditions in this Section 2.24 , each Refinancing Lender of such Class shall make a Loan to the Borrower (a “ Refinancing Loan ”) in an amount equal to its Refinancing Commitment of such Class.

(c) Refinancing Loan Request . Each Refinancing Loan Request from the Borrower pursuant to this Section 2.24 shall set forth the requested amount and proposed terms of the relevant Refinancing Loans. Refinancing Loans may be made, by any existing Lender (but no existing Lender will have an obligation to make any Refinancing Commitment, nor will the Borrower have any obligation to approach any existing Lender to provide any Refinancing Commitment) or by any additional Lender (each such existing Lender or additional Lender providing such Commitment or Loan, a, “ Refinancing Lender ”); provided that (i) the Administrative Agent shall have consented (not to be unreasonably withheld or delayed) to such additional Lender’s making such Refinancing Loans to the extent such consent, if any, would be required under Section 9.04 for an assignment of Loans to such Lender or additional Lender and (ii) with respect to Refinancing Commitments, any Affiliated Lender providing a Refinancing Commitment shall be subject to the same restrictions set forth in Section 9.04 as they would otherwise be subject to with respect to any purchase by or assignment to such Affiliated Lender of Loans.

(d) Effectiveness of Refinancing Amendment . The effectiveness of any Refinancing Amendment, shall be subject to the satisfaction on the date thereof (a “ Refinancing Facility Closing Date ”) of each of the following conditions, together with any other conditions set forth in the Refinancing Amendment:

(i) after giving effect to such Refinancing commitments, except as otherwise agreed by the Refinancing Lenders, (x) the representations and warranties of each Loan Party set forth in Article III and in each other Loan Document shall be true and correct in all material respects on and as of the Refinancing Facility Closing Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case 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, and (y) except as otherwise agreed by the Refinancing Lenders, no Default shall exist or would result from the Refinancing Loan or from the application of the proceeds therefrom;

(ii) each Refinancing Commitment shall be in an aggregate principal amount that is not less than \$10,000,000 and shall be in an increment of \$5,000,000 (provided that such amount may be less than \$10,000,000 and not in an increment of \$5,000,000 if such amount is equal to the entire outstanding principal amount of Refinanced Debt that is in the form of Loans); and

(iii) to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of (i) customary legal opinions, board resolutions and officers' certificates consistent with those delivered on the Effective Date (conformed as appropriate) other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent and (ii) reaffirmation agreements and/or such amendments to the Loan Documents as may be reasonably requested by the Administrative Agent in order to ensure that such Refinancing Lenders are provided with the benefit of the applicable Loan Documents.

(e) Required Terms . The terms, provisions and documentation of the Refinancing Loans of any Class shall be as agreed between the Borrower and the applicable Refinancing Lenders providing such Refinancing Commitments, and except as otherwise set forth herein, to the extent not identical to any Class of Loans each existing on the Refinancing Facility Closing Date, shall be consistent with clauses (i) and (ii) below, as applicable, and otherwise reasonably satisfactory to the Administrative Agent. In any event:

(i) the Refinancing Loans:

(A) as of the Refinancing Facility Closing Date, shall not have a final scheduled maturity date earlier than the Maturity Date of the Refinanced Debt;

(B) as of the Refinancing Facility Closing Date, shall not have a Weighted Average Life to Maturity shorter than the remaining Weighted Average Life to Maturity of the Refinanced Debt;

(C) any Permitted Junior Secured Refinancing Debt or Permitted Unsecured Refinancing Debt shall have a final maturity date which is no earlier than ninety-one (91) days after the Latest Maturity Date then existing;

(D) shall have an Applicable Margin and Adjusted LIBO Rate or Base Rate floor (if any), and subject to clauses (A) and (B) above, amortization determined by the Borrower and the applicable Refinancing Lenders;

(E) shall have fees determined by the Borrower and the applicable Refinancing Loan arranger(s);

(F) may participate on a pro rata basis or less than pro rata basis (but not on a greater than pro rata basis (except in respect of any voluntary prepayments of any Class of Loans with an earlier Maturity Date than any other Classes of Loans)) in any voluntary or mandatory prepayments of Loans hereunder, or if junior in right of security, shall be on a junior basis with respect thereto,

(G) shall not have a greater principal amount than the principal amount of the Refinanced Debt plus accrued interest, fees, premiums (if any) and penalties thereon and reasonable fees, expenses, original issue discount and upfront fees associated with the refinancing;

(H) (I) shall rank *pari passu* or junior in right of payment with the Obligations under the initial Loans that are senior in right of payment and (II) shall be secured by the Collateral and shall rank *pari passu* (which may be in the form of notes and loans limited to being unsecured or secured solely on a junior lien basis) or junior in right of security with the Obligations under the initial Loans (and, if applicable, subject to a subordination agreement and/or an intercreditor agreement (or, alternatively, terms in the Refinancing Amendment substantially similar to those in such applicable agreement, as agreed by the Borrower and Administrative Agent) or other lien subordination and intercreditor arrangement reasonably satisfactory to the Borrower and the Administrative Agent); and

(I) may include any Previously Absent Financial Covenant so long as the Administrative Agent shall have been given prompt written notice thereof and this Agreement is amended to include such Previously Absent Financial Covenant for the benefit of each Class (provided , however , that if (x) the documentation governing any Refinancing Amendment that includes a Previously Absent Financial Covenant in respect of and for the benefit of a “Revolving Commitment” only and (y) such Previously Absent Financial Covenant is a “springing” financial maintenance covenant solely for the benefit of a Class of revolving loans (and not any Class of term loans), the Previously Absent Financial Covenant shall only be required to be included in this Agreement for the benefit of Revolving Loans.

(f) Refinancing Amendment . Commitments in respect of Refinancing Loans shall become additional Commitments pursuant to an amendment (a “ Refinancing Amendment ”) to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Refinancing Lender providing such Commitments and the Administrative Agent. The Refinancing Amendment may, without the consent of any other Loan Party, Agent or Lender, 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 2.24 , including amendments as deemed necessary by the Administrative Agent in its reasonable judgment to effect any lien or payment subordination and associated rights of the applicable Lenders to the extent any Refinancing Loans are to rank junior in right of security or payment or to address technical issues relating to funding and payments. The Borrower will use the proceeds of the Refinancing Loans to extend, renew, replace, repurchase, retire or refinance, substantially concurrently, the applicable Refinanced Debt.

(g) Refinancing Equivalent Debt .

(i) In lieu of incurring any Refinancing Loans, the Borrower may, upon notice to the Administrative Agent, at any time or from time to time after the Effective Date issue, incur or otherwise obtain (A) secured Indebtedness in the form of one or more series of senior secured notes (such notes, “ Permitted Pari Passu Secured Refinancing Debt ”), (B) secured Indebtedness in the form of one or more series of second lien (or other junior lien) secured notes or second lien (or other junior lien) secured loans (such notes or loans, “ Permitted Junior Secured Refinancing Debt ”) and (C) unsecured or subordinated Indebtedness in the form of one or more series of unsecured or subordinated notes or term loans (such notes or term loans, “ Permitted Unsecured Refinancing Debt ” and together with Permitted Pari Passu Secured Refinancing Debt and Permitted Junior Secured Refinancing Debt, and, in each case, any Permitted Refinancing thereof, “ Refinancing Equivalent Debt ”), in each case, in exchange for, or to extend, renew, replace, repurchase, retire or refinance, in whole or in part, any existing Class of Loans (such Loans, “ Refinanced Loans ”).

(ii) Any Refinancing Equivalent Debt:

(A) (A) shall not have a Maturity Date prior to the date that is on or after the Maturity Date of the Refinanced Loans (and, in the case of any Permitted Junior Secured Refinancing Debt and Permitted Unsecured Refinancing Debt, such Refinancing Equivalent Debt shall have a final maturity date which is no earlier than ninety-one (91) days after the Latest Maturity Date then existing), (B) if in the form of term loans, shall not have a Weighted Average Life to Maturity shorter than the remaining Weighted Average Life to Maturity of the Refinanced Loans, (C) if in the form of notes, shall not have scheduled amortization or payments of principal and not be subject to mandatory redemption, repurchase, prepayment or sinking fund obligations (other than customary “AHYDO catch-up payments”, offers to repurchase and prepayment events upon a change of control, asset sale or event of loss and a customary acceleration right after an event of default), in each case prior to the Maturity Date of the Refinanced Loans, (D) has the same primary obligor and the same (or fewer) guarantors as the Refinanced Loans, (E) if in the form of subordinated Permitted Unsecured Refinancing Debt, shall be subject to a subordination agreement to which a representative acting on behalf of the holders of such Permitted Unsecured Refinancing Debt shall have become a party or otherwise subject (or, alternatively, terms in the definitive documentation for such Refinancing Equivalent Debt substantially similar to those in such applicable agreement, as agreed by the Borrower and Administrative Agent); provided that if such Permitted Unsecured Refinancing Debt is the initial subordinated Permitted Unsecured Refinancing Debt incurred by the Borrower, then the Loan Parties, the Administrative Agent and a representative for such Permitted Unsecured Refinancing Debt shall have executed and delivered a subordination agreement as reasonably agreed by the Administrative Agent, (F) shall not have a greater principal amount than the principal amount of the Refinanced Term Loans plus accrued interest, fees, premiums (if any) and penalties thereon and reasonable fees, expenses, original issue discount and upfront fees associated with the refinancing, (G) shall not include any Previously Absent Financial Covenant and (H) except as otherwise set forth in this clause (g)(ii), shall have terms and conditions (other than with respect to pricing, fees, rate floors and optional prepayment or redemption terms) substantially similar to, or (taken as a whole) no more favorable (as reasonably determined by the Borrower) to the lenders or holders providing such Refinancing Equivalent Debt, than those applicable to the Refinanced Loans (except for covenants or other provisions applicable only to periods after the Latest Maturity Date at the time of the issuance or incurrence of such Refinancing Equivalent Debt) and such terms and conditions shall be current market terms for such type of Refinancing Equivalent Debt (as reasonably determined in good faith by the Borrower),

(B) (A) if either Permitted Pari Passu Secured Refinancing Debt or Permitted Junior Secured Refinancing Debt, shall be subject to security agreements relating to such Refinancing Equivalent Debt that are substantially the same as or more favorable to the Loan Parties than the Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent), (B) if Permitted Pari Passu Secured Refinancing Debt, (x) shall be secured by the Collateral on a *pari passu* basis with the Obligations under the initial Loans and shall not be secured by any property or assets of Holdings, the Borrower or of its Subsidiary other than the Collateral, and (y) shall be subject to an intercreditor agreement to which a representative acting on behalf of the holders of such Permitted Pari Passu Secured Refinancing Debt shall have become a party or otherwise subject; provided that if such Permitted Pari Passu Secured Refinancing Debt is the initial Permitted Pari Passu Secured Refinancing Debt incurred by the Borrower, then the Loan Parties, the Administrative Agent and a representative for such Permitted Pari Passu Secured Refinancing Debt shall have executed and delivered an intercreditor agreement in form and substance reasonably satisfactory to the Administrative Agent and (C) if Permitted Junior Secured Refinancing Debt, (x) shall be secured by the Collateral on a second priority (or other junior priority) basis to the Liens securing the Obligations under the initial Loans and shall not be secured by any property or assets of Holdings, the Borrower or any of its Subsidiaries other than the Collateral, and (y) shall be subject to an intercreditor or subordination agreement (in each case, in form and substance reasonably satisfactory to the Administrative Agent) to which a representative acting on behalf of the holders of such Permitted Junior Secured Refinancing Debt shall have become a party or otherwise subject, and

(C) shall be incurred solely to repay, repurchase, retire or refinance substantially concurrently the Refinanced Loans (and pay related fees, expenses and premiums).

SECTION 2.25. Extension of Loans . (a) The Borrower may, at any time and from time to time request that all or a portion of the Loans (which shall include the corresponding Commitments in the case of Revolving Loans for purposes of this paragraph) of a given Class (an “Existing Loan Tranche”) be amended to extend the scheduled Maturity Date(s) with respect to the Loans of such Existing Loan Tranche (any such Loans which have been so amended, “Extended Loans”) and to provide for other terms consistent with this Section 2.25 . In order to establish any Extended Loans, the Borrower shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders under the applicable Existing Loan Tranche) (each, a “Loan Extension Request”) setting forth the proposed terms of the Extended Loans to be established, which shall (x) be identical as offered to each Lender under such Existing Loan Tranche (including as to the proposed interest rates and fees payable, but excluding any arrangement, structuring or other similar fees payable in connection therewith that are not generally shared with all relevant Lenders) and offered pro rata to each Lender under such Existing Loan Tranche and (y) be identical to the Loans under the Existing Loan Tranche from which such Extended Term Loans are intended to be amended, except that: (i) all or any of the scheduled amortization payments of principal of the Extended Loans may be delayed to later dates than the scheduled amortization payments of principal of the Loans of such Existing Loan Tranche, to the extent provided in the applicable Extension Amendment; provided , however , that at no time shall there be Classes of Extended Loans which have more than three (3) different Maturity Dates (unless a greater number of Maturity Dates is approved by the Administrative Agent in its sole discretion); (ii) the All-In Yield with respect to the Extended Loans (whether in the form of interest rate margin, upfront fees, original issue discount or otherwise) may be different than the All-In Yield for the Loans of such Existing Loan Tranche, in each case, to the extent provided in the applicable Extension Amendment; (iii) the Extension Amendment may provide for other covenants and terms that apply solely to any period after the Latest Maturity Date that is in effect on the effective date of the Extension Amendment (immediately prior to the establishment of such Extended Loans); and (iv) Extended Loans may have call protection as may be agreed by the Borrower and the Lenders thereof; provided that no Extended Loans may be optionally prepaid prior to the Maturity Date of the initial Loans, unless such optional prepayment is accompanied by a pro rata optional prepayment of the initial Loans; provided , however , that (A) no Event of Default shall have occurred and be continuing at the time a Loan Extension Request is delivered to Lenders, (B) in no event shall the Maturity Date of any Extended Loans of a given Loan Extension Series at the time of establishment thereof be earlier than the Maturity Date of the Existing Loan Tranche, (C) the Weighted Average Life to Maturity of any Extended Loans of a given Extension Series at the time of establishment thereof shall be no shorter than the remaining Weighted Average Life to Maturity of the Existing Loan Tranche, (D) all documentation in respect of such Extension Amendment shall be consistent with the foregoing, (E) any Extended Loans may participate on a pro rata basis or less than a pro rata basis, but not on a greater than pro rata basis (except in respect of any voluntary prepayments of any Class of Loans with an earlier Maturity Date than any other Classes of Loans (so long as the initial Loans do not receive less than pro rata treatment)) in any voluntary or any mandatory repayments or prepayments of Loans hereunder, in each case as specified in the respective Loan Extension Request and (F) any Extended Loans may include any Previously Absent Financial Covenant so long as the Administrative Agent shall have been given prompt written notice thereof and this Agreement is amended to include such Previously Absent Financial Covenant for the benefit of each Class (provided , however , that if (x) the documentation governing any Extension Amendment that includes a Previously Absent Financial Covenant in respect of and for the benefit of a “Revolving Commitment” only and (y) such Previously Absent Financial Covenant is a “springing” financial maintenance covenant solely for the benefit of a Class of revolving loans (and not any Class of term loans), the Previously Absent Financial Covenant shall only be required to be included in this Agreement for the benefit of Revolving Loans; provided that Previously Absent Financial Covenant shall not be required to be added to Loans and Commitments under this Agreement if such Previously Absent Financial Covenant in respect of

Extended Loans is for the period commencing after the Latest Maturity Date. Any Extended Loans amended pursuant to any Loan Extension Request shall be designated a series (each, a “Loan Extension Series”) of Extended Loans for all purposes of this Agreement; provided that any Extended Loans amended from an Existing Loan Tranche may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any previously established Loan Extension Series with respect to such Existing Loan Tranche (in which case scheduled amortization with respect thereto shall be proportionately increased). Each request for a Loan Extension Series of Extended Loans proposed to be incurred under this Section 2.25 shall be in an aggregate principal amount that is not less than \$5,000,000 (it being understood that the actual principal amount thereof provided by the applicable Lenders may be lower than such minimum amount) and the Borrower may impose an Extension Minimum Condition with respect to any Loan Extension Request, which may be waived by the Borrower in its sole discretion.

(b) The Borrower shall provide the applicable Extension Request at least five (5) Business Days (or such shorter period as may be agreed by the Administrative Agent) prior to the date on which Lenders under the Existing Loan Tranche are requested to respond, and shall agree to such procedures, if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.25. No Lender shall have any obligation to agree to have any of its Loans of any Existing Loan Tranche amended into Extended Loans pursuant to any Extension Request. Any Lender holding a Loan under an Existing Loan Tranche (each, an “Extending Lender”) wishing to have all or a portion of its Loans under the Existing Loan Tranche subject to such Extension Request amended into Extended Loans shall notify the Administrative Agent (each, an “Extension Election”) on or prior to the date specified in such Extension Request of the amount of its Loans under the Existing Loan Tranche, which it has elected to request be amended into Extended Loans (subject to any minimum denomination requirements imposed by the Administrative Agent). In the event that the aggregate principal amount of Loans under the Existing Loan Tranche in respect of which applicable Lenders shall have accepted the relevant Extension Request exceeds the amount of Extended Loans requested to be extended pursuant to the Extension Request, Loans subject to Extension Elections shall be amended to Extended Loans on a pro rata basis (subject to rounding by the Administrative Agent, which shall be conclusive) based on the aggregate principal amount of Loans included in each such Extension Election.

(i) Extended Loans shall be established pursuant to an amendment (each, a “Extension Amendment”) to this Agreement among the Borrower, the Administrative Agent and each Extending Lender, providing an Extended Loan thereunder, which shall be consistent with the provisions set forth in Section 2.25(a) or (b) above, respectively (but which shall not require the consent of any other Lender). The effectiveness of any Extension Amendment shall be subject to the satisfaction on the date thereof (the “Extension Facility Closing Date”) of each of the following conditions: (x) except as otherwise agreed by the Extending Lenders, the representations and warranties of each Loan Party set forth in Article III and in each other Loan Document shall be true and correct in all material respects on and as of the Extension Facility Closing Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case 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, (y) except as otherwise agreed by the Extending Lenders, no Default shall exist or would result from the Extended Loan or from the application of the proceeds therefrom and (z) to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of (i) legal opinions, board

resolutions and officers' certificates consistent with those delivered on the Effective Date (conformed as appropriate) other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent and (ii) reaffirmation agreements and/or such amendments to the Loan Documents as may be reasonably requested by the Administrative Agent in order to ensure that the Extended Loans are provided with the benefit of the applicable Loan Documents. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Extension Amendment. Each of the parties hereto hereby agrees that this Agreement and the other Loan Documents may be amended pursuant to an Extension Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of the Extended Loans incurred pursuant thereto, (ii) modify the scheduled repayments set forth in Section 2.10 with respect to any Existing Loan Tranche subject to an Extension Election to reflect a reduction in the principal amount of the Loans required to be paid thereunder in an amount equal to the aggregate principal amount of the Extended Loans amended pursuant to the applicable Extension (with such amount to be applied ratably to reduce scheduled repayments of such Loans required pursuant to Section 2.10), (iii) modify the prepayments set forth in Section 2.11 to reflect the existence of the Extended Loans and the application of prepayments with respect thereto, (iv) address technical issues relating to funding and payments and (v) effect such other 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 2.25 , and the Required Lenders hereby expressly authorize the Administrative Agent to enter into any such Extension Amendment.

(c) No conversion of Loans pursuant to any Extension in accordance with this Section 2.25 shall constitute a voluntary or mandatory payment or prepayment for purposes of this Agreement.

ARTICLE III

Representations and Warranties

Each Loan Party represents and warrants to the Lenders that (and where applicable, agrees):

SECTION 3.01. Organization; Powers . Each Loan Party and each of its Restricted Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to carry on its business as now conducted and (c) is qualified to do business in, and is in good standing in, every jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except in the case of each of clauses (b) and (c) above, where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.02. Authorization; Enforceability . The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders. Each Loan Document to which each Loan Party is a party have been duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts . The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (b) will not violate any Requirement of Law applicable to any Loan Party or any of their respective Subsidiaries, (c) will not violate the charter, bylaws or other organizational documents of any Loan Party or any of their respective Restricted Subsidiaries, (d) will not violate or result in a default under any indenture, agreement or other instrument binding upon any Loan Party or any of their respective Restricted Subsidiaries, or give rise to a right thereunder to require any payment to be made by any Loan Party or any of their respective Restricted Subsidiaries, and (e) will not result in the creation or imposition of any Lien on any asset of any Loan Party or any of their respective Restricted Subsidiaries, except Liens created pursuant to the Loan Documents and, in the case of each of clauses (a) , (b) , (d) and (e) , except as would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.04. Financial Condition; No Material Adverse Change .

(a) The Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows as of and for the fiscal years ended 2011, 2012 and 2013, reported on by KPMG LLP, independent public accountants. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated Restricted Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to normal year-end audit adjustments.

(b) No event, change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect, since December 31, 2013.

SECTION 3.05. Properties .

(a) As of the date of this Agreement, Schedule 3.05 sets forth the address of each parcel of real property that is owned or leased by any Loan Party. Each lease and sublease is valid and enforceable in accordance with its terms and is in full force and effect, and no default by any party to any such lease or sublease exists, except as could not reasonably be expected to have a Material Adverse Effect. Each Loan Party and each of its Restricted Subsidiaries has good and indefeasible title to, or valid leasehold interests in, all of its material real and personal property (except where the failure to have such title or other interest could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect), free of all Liens other than those permitted by Section 6.02 .

(b) Except, in each case, as could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, each Loan Party and each of its Restricted Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property necessary to its business, a correct and complete list of which, as of the date of this Agreement, is set forth on Schedule 3.05 , and except as set forth on Schedule 3.05 the use thereof by each Loan Party and each of its Restricted Subsidiaries does not infringe in any material respect upon the rights of any other Person, and each Loan Party's and each of its Restricted Subsidiaries' rights thereto are not subject to any licensing agreement or similar arrangement.

SECTION 3.06. Litigation and Environmental Matters .

(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Loan Party, threatened against or affecting any Loan Party or any of its Restricted Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve any Loan Document or the Transactions.

(b) Except for the Disclosed Matters, (i) as of the Effective Date, no Loan Party or any of its Restricted Subsidiaries has received notice of any claim with respect to any Environmental Liability or knows of any basis for any Environmental Liability and (ii) and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, no Loan Party or any of its Restricted Subsidiaries (1) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law or (2) has become subject to any Environmental Liability.

SECTION 3.07. Compliance with Laws and Agreements . Except where the failure to do so, individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect, each Loan Party and each of its Restricted Subsidiaries is in compliance with (i) its charter, by-laws or other organizational documents, (ii) all Requirements of Law applicable to it or its property and (iii) all indentures, agreements and other instruments binding upon it or its property with respect to any Material Indebtedness.

SECTION 3.08. Investment Company Status . No Loan Party or any of its Restricted Subsidiaries is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes . Each Loan Party and each of its Restricted Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party or such Restricted Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not be expected to result in a Material Adverse Effect. As of the Effective Date, no material tax liens have been filed and no material claims are being asserted with respect to any such taxes.

SECTION 3.10. ERISA . No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Disclosure . Neither the Lenders’ Presentation nor any of the other written reports, financial statements, certificates or other written information furnished by or on behalf of any Loan Party or any of its Restricted Subsidiaries to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or any other Loan Document (as modified or supplemented by other written information so furnished) contains any untrue misstatement of material fact or omits to state any material fact necessary to make the statements therein, taken as a whole, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, the Loan Parties represent represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time delivered, it being understood that (a) such projected financial information is not to be viewed as fact and that actual results during the period or periods covered by any such projections may differ significantly from the projected results and such differences may be material and (b) such projected financial information is subject to significant uncertainties and contingencies and no assurance can be given that the projected results will be realized.

SECTION 3.12. No Default . No Default or Event of Default has occurred and is continuing.

SECTION 3.13. Solvency . (a) Immediately after the consummation of the Transactions to occur on the Effective Date, (i) the fair value of the assets of the Loan Parties, on a consolidated basis, at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of the Loan Parties will be 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; (iii) the Loan Parties, on a consolidated basis, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) the Loan Parties, on a consolidated basis, will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted after the Effective Date.

(b) No Loan Party intends to, or will permit any of its Restricted Subsidiaries to, and no Loan Party believes that it or any of its Restricted Subsidiaries will, on a consolidated basis, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it or any such Restricted Subsidiary and the timing of the amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Restricted Subsidiary.

SECTION 3.14. Margin Regulations . No Loan Party is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of “purchasing” or “carrying” any “margin stock” as such terms are defined in Regulation U of the Federal Reserve Board as now and from time to time hereafter in effect (such securities being referred to herein as “Margin Stock”). No Loan Party is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of “purchasing” or “carrying” any “margin stock” as such terms are defined in Regulation U of the Federal Reserve Board, and none of the proceeds of the Term Loans or other extensions of credit under this Agreement will be used, directly or indirectly, for the purpose of purchasing or carrying any Margin Stock, for the purpose of reducing or retiring any Indebtedness that was originally incurred to purchase or carry any Margin Stock or for any other purpose that might cause any of the Term Loans or other extensions of credit under this Agreement to be considered a “purpose credit” within the meaning of Regulations T, U or X of the Federal Reserve Board. No Loan Party will take or permit to be taken any action that might cause any Loan Document to violate any regulation of the Federal Reserve Board.

SECTION 3.15. Capitalization and Subsidiaries . Schedule 3.15 sets forth as of the Effective Date (a) a correct and complete list of the name and relationship to the Borrower of each Subsidiary of the Borrower, (b) a true and complete listing of each class of each of the Borrower’s authorized Equity Interests, of which all of such issued shares are validly issued, outstanding, fully paid and non-assessable, and owned beneficially and of record by the Persons identified on Schedule 3.15 , and (c) the type of entity of the Borrower and each of its Subsidiaries. All of the issued and outstanding Equity Interests owned by any Loan Party have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and is fully paid and non-assessable.

SECTION 3.16. Security Interest in Collateral . The provisions of the Collateral Documents create legal and valid Liens on all the Collateral in favor of the Administrative Agent, for the benefit of the Secured Parties, and, upon filing of UCC financing statements and the taking of any other actions or making of filings required for perfection under the laws of the relevant Collateral Documents and specified herein or in such Collateral Documents, as, and when necessary and required and, if applicable, the taking of actions or making of filings with respect to intellectual property registrations or applications issued or pending as specified, such Liens constitute perfected and continuing Liens on the Collateral securing the Secured Obligations, enforceable against the applicable Loan Party and all third parties (subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in

equity or at law), and having priority over all other Liens on the Collateral except in the case of (a) Permitted Encumbrances, to the extent any such Permitted Encumbrances would have priority over the Liens in favor of the Administrative Agent pursuant to any applicable law or agreement, and (b) Liens perfected only by possession (including possession of any certificate of title or bond), to the extent the Administrative Agent has not obtained or does not maintain possession of such Collateral.

SECTION 3.17. Employment Matters . As of the Effective Date, there are no strikes, lockouts or slowdowns against any Loan Party or any Restricted Subsidiary pending or, to the knowledge of the Loan Parties, threatened, except as would not reasonably be expected to result in a Material Adverse Effect. The hours worked by and payments made to employees of the Loan Parties and the Restricted Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters, except individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. To the knowledge of the Borrower all payments due from any Loan Party or any Restricted Subsidiary, or for which any claim may be made against any Loan Party or any Restricted Subsidiary, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of the Loan Party or such Restricted Subsidiary, except as would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.18. USA PATRIOT Act, Etc .

(a) None of the Loan Parties, any of their Restricted Subsidiaries or, to the knowledge of the Loan Parties, any of their respective Affiliates over which any of the foregoing exercises management control (each, a “Controlled Affiliate”) is a Prohibited Person, and the Loan Parties, their Restricted Subsidiaries and, to the knowledge of the Loan Parties, such Controlled Affiliates are in compliance with all applicable orders, rules and regulations of OFAC.

(b) None of the Loan Parties, any of their Restricted Subsidiaries or, to the knowledge of the Loan Parties, any of their respective Affiliates: (i) is targeted by United States or multilateral economic or trade sanctions currently in force; (ii) is owned or controlled by, or acts on behalf of, any Person that is targeted by United States or multilateral economic or trade sanctions currently in force; (iii) is a Prohibited Person; or (iv) is named, identified or described on any list of Persons with whom United States Persons may not conduct business, including any such blocked persons list, designated nationals list, denied persons list, entity list, debarred party list, unverified list, sanctions list or other such lists published or maintained by the United States, including OFAC, the United States Department of Commerce or the United States Department of State.

(c) No part of the proceeds of the Loans will be used, directly or, to the knowledge of the Loan Parties, 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 obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

SECTION 3.19. Embargoed Person . (a) No Loan Party’s, nor any of their Subsidiaries’, assets constitute property of, or are beneficially owned, directly or indirectly, by any Person targeted by economic or trade sanctions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., the Trading with the Enemy Act, 50 U.S.C. App. 1 et seq. (the “Trading With the Enemy Act”), any of the foreign assets control regulations of the Treasury (31 C.F.R., Subtitle B, Chapter V, as amended) (the “Foreign Assets Control Regulations”) or any enabling legislation or regulations promulgated thereunder or executive order relating thereto (which includes, without limitation, (i) Executive Order No. 13224, effective as of September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support

Terrorism (66 Fed. Reg. 49079 (2001)) (the “Executive Order”) and (ii) the USA PATRIOT Act, if the result of such ownership would be that any Loan made by any Lender would be in violation of law (“Embargoed Person”); (b) no Embargoed Person has any interest of any nature whatsoever in any Loan Party if the result of such interest would be that any Loan would be in violation of law; (c) no Loan Party has engaged in business with Embargoed Persons if the result of such business would be that any Loan made by any Lender would be in violation of law; and (d) neither any Loan Party nor any Controlled Affiliate (i) is or take any action that will cause them to become a “blocked person” as described in the Executive Order, the Trading With the Enemy Act or the Foreign Assets Control Regulations or (ii) engages or will engage in any dealings or transactions, or be otherwise associated, with any such “blocked person”. For purposes of determining whether or not a representation is true or a covenant is being complied with under this Section 3.19, the Loan Parties shall not be required to make any investigation into (i) the ownership of publicly traded stock or other publicly traded securities or (ii) the beneficial ownership of any collective investment fund.

SECTION 3.20. [Reserved] .

SECTION 3.21. Status as Senior Debt . The Obligations are “senior debt” or “designated senior debt” (or any comparable term) under, and as may be defined in, any indenture or document governing any applicable Indebtedness that is subordinated in right of payment to the Obligations.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date . The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) Credit Agreement and Loan Documents . The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence reasonably satisfactory to the Administrative Agent (which may include fax or other electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the Loan Documents and such other certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the transactions contemplated by this Agreement and the other Loan Documents, including any promissory notes requested by a Lender at least three (3) Business Days in advance of the Effective Date pursuant to Section 2.10 payable to the order of each such requesting Lender and a written opinion of Ropes & Gray LLP, New York counsel to the Loan Parties, substantially in the form attached hereto as Exhibit G-1 and a written opinion of Pierce Atwood LLP, New Hampshire counsel to the Loan Parties organized in New Hampshire, substantially in the form attached hereto as Exhibit G-2 , in each case addressed to the Administrative Agent, the Issuing Bank and the Lenders.

(b) Financial Statements and Projections . The Lenders shall have received (i) audited consolidated financial statements of the Borrower for the 2011, 2012 and 2013 fiscal years, (ii) unaudited interim consolidated financial statements of the Borrower for each fiscal quarter ended after the date of the latest applicable financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available and (iii) financial statement projections (including projected consolidated balance sheets, statements of operations and statement of cash flows) on a fiscal year basis through December 31, 2018.

(c) Closing Certificates; Certified Certificate of Incorporation; Good Standing Certificates . The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Effective Date and executed by a responsible officer of such Loan Party, which shall (A) certify the resolutions of its Board of Directors, members or other body authorizing the execution, delivery and performance of the Loan Documents to which it is a party, (B) identify by name and title and bear the signatures of the Financial Officers and any other officers of such Loan Party authorized to sign the Loan Documents to which it is a party, and (C) contain appropriate attachments, including the certificate or articles of incorporation or organization of each Loan Party certified by the relevant authority of the jurisdiction of organization of such Loan Party and a true and correct copy of each Loan Party's by-laws or operating, management or partnership agreement, and (ii) a long form good standing certificate for each Loan Party from its jurisdiction of organization.

(d) No Material Adverse Effect . The Administrative Agent shall have received a certificate, signed by the chief financial officer of the Borrower stating that since December 31, 2013, no Material Adverse Effect shall have occurred and is continuing.

(e) Fees . The Lenders and the Administrative Agent shall have received all fees required to be paid, and all expenses required to be reimbursed for which invoices have been presented (including the reasonable and documented fees and expenses of legal counsel), at least two (2) Business Days before the Effective Date. All such amounts will be paid with proceeds of Loans made on the Effective Date and will be reflected in the funding instructions given by the Borrower to the Administrative Agent on or before the Effective Date.

(f) Lien Searches . The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions where assets of the Loan Parties are located, and such search shall reveal no material liens on any of the assets of the Loan Parties except for liens permitted by Section 6.02 or discharged on or prior to the Effective Date pursuant to a payoff letter or other documentation reasonably satisfactory to the Administrative Agent.

(g) Payoff Letter . The Administrative Agent shall have received reasonably satisfactory payoff letters for all existing Indebtedness required to be repaid.

(h) Funding Account . The Administrative Agent shall have received a notice setting forth the deposit account of the Borrower (the "Funding Account") to which the Lender is authorized by the Borrower to transfer the proceeds of any Borrowings requested or authorized pursuant to this Agreement.

(i) [Reserved] .

(j) Solvency . The Administrative Agent shall have received a solvency certificate signed by a Financial Officer dated the Effective Date in form and substance reasonably satisfactory to the Administrative Agent.

(k) Pledged Stock; Stock Powers; Pledged Notes . The Administrative Agent shall have received (i) the certificates representing the Equity Interests pledged pursuant to the Security Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (ii) each promissory note (if any) pledged to the Administrative Agent pursuant to the Security Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(l) Filings, Registrations and Recordings . Each document (including any Uniform Commercial Code financing statement) required by the Collateral Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 6.02), shall be in proper form for filing, registration or recordation.

(m) Insurance . The Administrative Agent shall have received evidence of insurance coverage in form, scope, and substance reasonably satisfactory to the Administrative Agent and otherwise in compliance with the terms of Section 5.09 .

(n) USA PATRIOT Act, Etc . The Administrative Agent and Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including USA PATRIOT Act, and a properly completed and signed IRS Form W-8 or W-9, as applicable, for each of Holdings, the Borrower, Pla-Fit Franchise, LLC, Pla-Fit Health, L.L.C., Planet Fitness Equipment, LLC and PFIP, LLC and any other Loan Party that the Administrative Agent may request.

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 Effective Date specifying its objection thereto

SECTION 4.02. Each Credit Event . The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Loan Parties set forth in the Loan Documents shall be true and correct in all material respects with the same effect as though made on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, in each case, except as expressly set forth in Section 2.23(a) (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date, and that any representation or warranty which is subject to any materiality qualifier shall be required to be true and correct in all respects).

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable and except as expressly set forth in Section 2.23(a) , no Default shall have occurred and be continuing.

Each Borrowing (provided that a conversion or continuation of a Borrowing shall not constitute a “Borrowing” for purposes of this Section 4.02) and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section 4.02 .

Notwithstanding the failure to satisfy the conditions precedent set forth in paragraph (a) or (b) of this Section 4.02 , unless otherwise directed by the Required Lenders, the Administrative Agent may, but shall have no obligation to, continue to make Loans and the Issuing Bank may, but shall have no obligation to,

issue or cause to be issued any Letter of Credit for the ratable account and risk of Lenders from time to time if the Administrative Agent believes that making such Loans or issuing or causing to be issued any such Letter of Credit is in the best interests of the Lenders.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated or have been cash collateralized or backstopped in a manner reasonably satisfactory to the Issuing Bank, in each case without any pending draw, and all LC Disbursements shall have been reimbursed, each Loan Party executing this Agreement, jointly and severally with all of the Loan Parties, covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information . The Borrower will furnish to the Administrative Agent and the Administrative Agent will distribute to each Lender:

(a) within 120 days after the end of each fiscal year of the Borrower, its audited consolidated balance sheet and consolidated statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by independent public accountants of recognized national standing (without a "going concern" or like qualification or exception, and without any qualification or exception as to the scope of such audit (other than any exception, explanatory paragraph or qualification, that is expressly solely with respect to, or expressly resulting solely from, (i) an upcoming maturity date of the Loans occurring within one year from the time such report is delivered or (ii) any potential inability to satisfy a financial maintenance covenant on a future date)) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Restricted Subsidiaries on a consolidated basis in accordance with GAAP consistently applied and a management discussion and analysis that includes a comparison of performance for that fiscal year to the corresponding period in the prior year;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, its consolidated balance sheet and consolidated statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Restricted Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes and a management discussion and analysis that includes a comparison of performance for that fiscal quarter to the corresponding period in the prior year;

(c) promptly upon receipt thereof all management letters and other material correspondence issued by the Loan Parties' auditors;

(d) concurrently with any delivery of financial statements under clause (a) or (b) above (collectively or individually, as the context requires, the "Financial Statements"), a certificate of a Financial Officer of the Borrower in substantially the form of Exhibit D

(i)

certifying, in the case of the Financial Statements delivered under clause (b) above, as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Restricted Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes and (ii) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, including any intent to exercise a cure right;

(e) concurrently with any delivery of Financial Statements under clause (a) above, a certificate of the accounting firm that reported on such Financial Statements stating whether they obtained knowledge during the course of their examination of such Financial Statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(f) as soon as available, but in any event no later than 90 days following the end of each fiscal year of the Borrower commencing with the fiscal year ending December 31, 2014, a copy of the plan and forecast (including a projected consolidated and consolidating balance sheet, income statement and cash flow statement) of the Borrower for each ~~month~~ quarter of the upcoming fiscal year (the “Projections”) in form reasonably satisfactory to the Administrative Agent;

(g) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of any Loan Party, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request.

(h) promptly after any request therefor by the Administrative Agent or any Lender, copies of (i) any documents described in Section 101(k)(1) of ERISA that the Borrower or any of its ERISA Affiliates may request with respect to any Multiemployer Plan and (ii) any notices described in Section 101(l)(1) of ERISA that the Borrower or any of its ERISA Affiliates may request with respect to any Multiemployer Plan; provided that if the Borrower or any of its ERISA Affiliates has not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan, the Borrower or the applicable ERISA Affiliate shall promptly make a request for such documents and notices from such administrator or sponsor and shall provide copies of such documents and notices promptly after receipt thereof.

(i) promptly after the designation of (x) a Restricted Subsidiary as an Unrestricted Subsidiary, a certificate of an authorized officer of the Borrower certifying compliance with the definition of the term Unrestricted Subsidiary and (y) upon designation of an Unrestricted Subsidiary as a Restricted Subsidiary certifying compliance with the terms (including all Negative Covenants) of this Agreement.

(j) while any Subsidiary is designated as an Unrestricted Subsidiary, financial information required to be delivered pursuant to clauses (a) and (b) of this Section 5.01 accompanied by consolidating information that explains in reasonable detail the differences between the information relating to the Borrower and its Subsidiaries, on the one hand, and the information relating to the Borrower and the Restricted Subsidiaries on a standalone basis, on the other hand (which need not be audited in the case of clause (a) of this Section 5.01).

Notwithstanding the foregoing, the obligations in clauses (a) and (b) of this Section 5.01 may be satisfied with respect to financial information of Holdings, the Borrower and the Restricted Subsidiaries by furnishing (A) the applicable financial statements of any direct or indirect parent of the Borrower or (B) the Borrower’s or such entity’s Form 10-K or 10-Q, as applicable, filed with the SEC; provided that, with respect to each of clauses (A) and (B), (i) to the extent such information relates to a

parent of the Borrower, such information is accompanied by consolidating information (which need not be audited in the case of clause (a) of this Section 5.01) that explains in reasonable detail the differences between the information relating to the Borrower (or such parent), on the one hand, and the information relating to the Borrower and the Restricted Subsidiaries on a standalone basis, on the other hand and (ii) to the extent such information is in lieu of information required to be provided under Section 5.01(a) , such materials are accompanied by a report of an independent registered public accounting firm of nationally recognized standing, which report and opinion (x) shall be prepared in accordance with generally accepted auditing standards and (y) shall not be subject to any “going concern” or like qualification or exception or any qualification or exception as to the scope of such audit (other than any exception, explanatory paragraph or qualification, that is expressly solely with respect to, or expressly resulting solely from, (i) an upcoming maturity date of the Loans occurring within one year from the time such report and opinion is delivered or (ii) any potential inability to satisfy a financial maintenance covenant on a future date)). Documents required to be delivered pursuant to clauses (a) and (b) of this Section 5.01 (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the earliest date on which (i) the Borrower posts such documents, or provides a link thereto on the Borrower’s website on the Internet; (ii) such documents are posted on the Borrower’s behalf on IntraLinks/IntraAgency or another 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), or (iii) such financial statements and/or other documents are posted on the SEC’s website on the internet at www.sec.gov ; provided , that, (A) the Borrower shall, at the request of the Administrative Agent, continue to deliver copies (which delivery may be by electronic transmission) of such documents to the Administrative Agent and (B) the Borrower shall notify (which notification may be by facsimile or electronic transmission) the Administrative Agent of the posting of any such documents on any website described in this paragraph. 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 Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrowers with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

SECTION 5.02. Notices of Material Events . Each of the Borrower and Holdings will furnish to the Administrative Agent promptly (but in any event within any time period that may be specified below) written notice of the following (and the Administrative Agent will distribute to each Lender):

- (a) the occurrence of any Event of Default;
- (b) receipt of any notice of any investigation by a Governmental Authority or any litigation or proceeding commenced or threatened against any Loan Party or any of its Restricted Subsidiaries that, in each case, would reasonably be expected to result in a Material Adverse Effect; and
- (c) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business . Each Loan Party will, and will cause each Restricted Subsidiary to, (a) do or cause to be done all things necessary to preserve, renew and keep in full

force and effect its legal existence and the rights, qualifications, licenses, permits, franchises, governmental authorizations and intellectual property rights (collectively, “ Rights ”) material to the conduct of its business, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; provided , that the foregoing shall not prohibit (i) any merger, consolidation, liquidation or dissolution permitted under Section 6.03 or (ii) the waiver, non-renewal, or other abandonment of any Rights (including any intellectual property rights) that, in the business judgment of management of the Loan Party, are not material to the conduct of its business and (b) engage in business to the extent not prohibited by Section 6.03(b) .

SECTION 5.04. Payment of Obligations . Each Loan Party will, and will cause each Restricted Subsidiary to, pay or discharge all Material Indebtedness and all other material liabilities and obligations, including Taxes, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such Loan Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties . Each Loan Party will keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear and casualty excepted, except where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; provided , however , that such Loan Party shall not be required to maintain any property if the preservation thereof is no longer desirable in the conduct of the business of such Person.

SECTION 5.06. Books and Records; Inspection Rights . Each Loan Party will, and will cause each Restricted Subsidiary to, (a) keep proper books of record and account in which full, true and correct entries are made of all transactions in relation to its business and activities and (b) permit officers and designated representatives of the Administrative Agent or the Required Lenders to visit and inspect any of the properties or assets of any Loan Party and any such Subsidiary in whomsoever’s possession to the extent that it is within such party’s control to permit such inspection (and shall use commercially reasonable efforts to cause such inspection to be permitted to the extent that it is not within such party’s control to permit such inspection), and to examine the books and records of such Loan Party and any such Subsidiary and discuss the affairs, finances and accounts of such Loan Party and of any such Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all at such reasonable times and intervals and to such reasonable extent as the Administrative Agent or the Required Lenders may desire; provided that, excluding any such visits and inspections during an Event of Default, (a) only the Administrative Agent on behalf of the Required Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 5.06 , (b) the Administrative Agent shall not exercise such rights more than once in any calendar year, which such visits will be at the Borrower’s expense, and (c) notwithstanding anything to the contrary in this Section 5.06 , none of Borrower or any of the Restricted Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or (iii) is subject to attorney-client or similar privilege or constitutes attorney work product (in each case, determined based upon advice of counsel); provided , further , that when an Event of Default exists, the Administrative Agent (or any of its respective representatives or independent contractors) or any representative of the Required Lenders may do any of the foregoing at the expense of the Borrowers at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Required Lenders shall give the Borrowers the opportunity to participate in any discussions with the Borrowers’ independent public accountants.

SECTION 5.07. Compliance with Laws . Each Loan Party will, and will cause each Restricted Subsidiary to, comply with all Requirements of Law applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.08. Use of Proceeds . No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. All proceeds of the Original Term Loans (~~other than Incremental Term Loans~~) will be used by the Borrower in connection with the Effective Date Transactions and any remaining proceeds may be used for corporate purposes and to pay fees and expenses incurred in connection with the Transaction. All proceeds of the New Term Loans will be used by the Borrower to effect the 2015 Special Distribution and pay fees and expenses incurred in connection therewith. All proceeds of the Revolving Loans (including those made pursuant to Revolving Commitment Increases) and the Swingline Loans will be used for any purpose not otherwise prohibited under this Agreement.

SECTION 5.09. Insurance . Each Loan Party will, and will cause each Restricted Subsidiary to, maintain with financially sound and reputable carriers (a) insurance 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 its Restricted Subsidiaries) (with no greater risk retention) and against such risks (including loss or damage by fire and loss in transit; theft, burglary, pilferage, larceny, embezzlement, and other criminal activities; business interruption; and general liability) and such other hazards, as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (b) all insurance required pursuant to the Collateral Documents. The Borrower will furnish to the Lenders, upon request of the Administrative Agent, but no less frequently than annually, information in reasonable detail as to the insurance so maintained.

SECTION 5.10. Maintenance of Ratings . The Borrower will use commercially reasonable efforts to obtain and maintain (but not maintain any specific rating) a corporate family and/or corporate credit rating, as applicable, and ratings in respect of the Term Loans provided pursuant to this Agreement, in each case, from each of S&P and Moody's.

SECTION 5.11. Post-Closing Actions . The Loan Parties shall deliver or use commercially reasonable efforts to deliver (to the extent specified on Schedule 5.11) to the Administrative Agent, within 90 days of the Effective Date (or such later date as the Administrative Agent may agree in its reasonable discretion), the items listed on Schedule 5.11 ; provided that the Loan Parties shall not be required to make payments to obtain such items, except for any payments already required.

SECTION 5.12. Additional Collateral; Further Assurances .

(a) Subject to applicable Requirements of Law, each Loan Party will cause each of its domestic Restricted Subsidiaries (other than any Excluded Subsidiary) formed or acquired after the date of this Agreement to become a Loan Party by executing a Joinder Agreement in substantially the form of Exhibit E . Upon execution and delivery thereof, each such Person (i) shall automatically become a Loan Guarantor hereunder and thereupon shall have all of the rights, benefits, duties, and obligations in such capacity under the Loan Documents and (ii) will grant Liens to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, in any property of such Loan Party which constitutes Collateral.

(b) Each Loan Party will cause (i) 100% of the issued and outstanding Equity Interests of each of its domestic Restricted Subsidiaries (other than a Disregarded Domestic Subsidiary) and (ii) 65% of the issued and outstanding Equity Interests entitled to vote and 100% of the issued and outstanding Equity Interests not entitled to vote in each foreign Restricted Subsidiary and Disregarded Domestic

Subsidiary directly owned by the Borrower or any domestic Restricted Subsidiary that is not a Disregarded Domestic Subsidiary to be subject at all times to a first priority, perfected Lien in favor of the Administrative Agent for the benefit of the Administrative Agent and the Lenders, pursuant to the terms and conditions of the Loan Documents or other security documents as the Administrative Agent shall reasonably request.

(c) The Borrower will cause Holdings to pledge and grant a first priority, perfected Lien in favor of the Administrative Agent in 100% of the issued and outstanding Equity Interests of the Borrower.

(d) Without limiting the foregoing, each Loan Party will, and will cause each Restricted Subsidiary to, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents and such other actions or deliveries of the type required by Section 4.01, as applicable), which may be required by law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents, all at the expense of the Loan Parties. Nothing in this Section 5.12 shall require, and the Loan Documents shall not contain any requirements as to, the creation or perfection of pledges of or security interests in, or the obtaining of title insurance, surveys, abstracts or appraisals or taking other actions with respect to any Excluded Property.

(e) If any material assets (including any real property or improvements thereto having a fair market value in excess of \$1,000,000 or any interest therein) are acquired by any Loan Party after the Effective Date (other than assets constituting Collateral under the Security Agreement that become subject to the Lien in favor of the Security Agreement upon acquisition thereof), the Borrower will (i) notify the Administrative Agent and the Lenders thereof, and, if requested by the Administrative Agent or the Required Lenders, cause such assets to be subjected to a Lien securing the Secured Obligations and (ii) take, and cause each applicable Loan Party to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (c) of this Section, all at the expense of the Loan Parties.

(f) Notwithstanding any other provision to the contrary, nothing in this Section 5.12 shall require, and the Loan Documents shall not contain any requirements as to, the creation or perfection of pledges of or security interests in any Excluded Property.

(g) No actions shall be required to create any security interests in any assets or to perfect such security interests other than in the United States (it being understood that there shall be no security agreement or pledge agreement governed under the Laws of any non-U.S. jurisdiction).

SECTION 5.13. Designation of Unrestricted Subsidiaries . The Borrower may at any time after the Effective Date designate any Restricted Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; provided that (i) immediately before and after such designation or redesignation, no Event of Default shall have occurred and be continuing, (ii) no Subsidiary may be designated as an Unrestricted Subsidiary if, after such designation, it would be a “Restricted Subsidiary” for the purpose of any other Indebtedness, (iii) no Restricted Subsidiary shall be designated an Unrestricted Subsidiary if it owns Equity Interests or Indebtedness of, or owns or holds any Lien on any property of, Holdings, the Borrower or any other Restricted Subsidiary and (iv) any designation of a Restricted Subsidiary as an Unrestricted Subsidiary complies with the definition of the term Unrestricted Subsidiary. The designation of any Subsidiary as an Unrestricted Subsidiary after the Effective Date shall constitute an

Investment by the applicable Loan Party therein at the date of designation as set forth in the definition of Investment. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (a) the incurrence (at the time of designation) of any Investment, Indebtedness or Liens of such Subsidiary existing at such time and (b) a return on any Investment by the applicable Loan Party in Unrestricted Subsidiaries pursuant to the definition of Investment and shall be permitted if after giving pro forma effect to such designation the Borrower would be in compliance with the financial covenant set forth in Section 6.12 .

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees, expenses and other amounts payable under any Loan Document have been paid in full and all Letters of Credit have expired or terminated or have been cash collateralized or backstopped in a manner reasonably satisfactory to the Issuing Bank, and all LC Disbursements shall have been reimbursed, each Loan Party executing this Agreement, jointly and severally with all of the other Loan Parties, covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness . No Loan Party will, nor will it permit any Restricted Subsidiary to, create, incur, assume or suffer to exist any Indebtedness, except:

(a) the Secured Obligations;

(b) Indebtedness existing on the date hereof and set forth in Schedule 6.01 and any extensions, renewals, refinancings and replacements of any such Indebtedness in accordance with clause (f) hereof;

(c) Indebtedness of the Borrower to any Restricted Subsidiary and of any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary, provided that (i) Indebtedness of any Restricted Subsidiary that is not a Loan Party to the Borrower or any other Loan Party shall be subject to Section 6.04 and (ii) Indebtedness of any Loan Party to any Restricted Subsidiary that is not a Loan Party shall be subordinated to the Secured Obligations pursuant to the Global Intercompany Note; provided , further , that no Loan Party may make any payment or pre-payment on the Indebtedness permitted under this clause (ii) unless the such payment or pre-payment is permitted pursuant to the Global Intercompany Note;

(d) Guarantees by the Borrower of Indebtedness of any Restricted Subsidiary and by any Restricted Subsidiary of Indebtedness of the Borrower or any other Restricted Subsidiary, provided that (i) the Indebtedness so Guaranteed is permitted by this Section 6.01 , (ii) Guarantees by the Borrower or other Loan Party of Indebtedness of any Restricted Subsidiary that is not a Loan Party shall be subject to Section 6.04 and (iii) Guarantees permitted under this clause (d) shall be subordinated to the Secured Obligations on the same terms as the Indebtedness so Guaranteed is subordinated to the Secured Obligations;

(e) Indebtedness of the Borrower or any Restricted Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets (whether or not constituting purchase money Indebtedness), including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness in accordance with clause (f) below; provided that (i) such Indebtedness is incurred

prior to or within 90 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) together with any Refinance Indebtedness in respect thereof permitted by clause (f) below, shall not exceed the greater of (x) \$30,000,000 and (y) 5% of Consolidated Total Assets (measured on a pro forma basis as of the date such Indebtedness is incurred based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding;

(f) Indebtedness which represents extensions, renewals, refinancings and replacements (such Indebtedness being so extended, renewed, refinanced or replaced being referred to herein as the “Refinance Indebtedness”) of any of the Indebtedness described in clauses (b) , (e) , (f) , (i) , (j) and (k) hereof (such Indebtedness being referred to herein as the “Original Indebtedness”); provided that, (i) such Refinance Indebtedness does not increase the principal amount or interest rate of the Original Indebtedness, except by an amount equal to unpaid accrued interest and premium thereon plus other reasonable amounts paid and fees and expenses reasonably incurred, in connection with such Refinance Indebtedness, (ii) any Liens securing such Refinance Indebtedness are not extended to any additional property of any Loan Party or an of its Restricted Subsidiaries, (iii) no Loan Party or any of its Restricted Subsidiaries that is not originally obligated with respect to repayment of such Original Indebtedness is required to become obligated with respect to such Refinance Indebtedness, (iv) such Refinance Indebtedness does not result in a shortening of the average weighted maturity of such Original Indebtedness, (v) the terms of such Refinance Indebtedness (other than fees and interest) are (A) not, when taken as a whole, materially less favorable to the obligor thereunder than the original terms of such Original Indebtedness or (B) reflect current market terms for such type of Indebtedness and (vi) if such Original Indebtedness was subordinated in right of payment to the Secured Obligations, then the terms and conditions of such Refinance Indebtedness must include subordination terms and conditions that are at least as favorable to the Administrative Agent and the Lenders as those that were applicable to such Original Indebtedness;

(g) Indebtedness owed to any Person providing workers’ compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business;

(h) Indebtedness of any Loan Party in respect of performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations, in each case provided in the ordinary course of business;

(i) so long as no Default or Event of Default then exists or would result therefrom and Borrower shall be in compliance on a pro forma basis with the financial covenants set forth in Section 6.12 immediately after giving effect to the incurrence of such Indebtedness, additional unsecured Indebtedness incurred by the Borrower and its Restricted Subsidiaries in an aggregate principal amount not to exceed an amount such that the Total Net Leverage Ratio calculated on a pro forma basis would not exceed a ratio equal to the ratio that is 0.25 to 1.00 lower than the Total Net Leverage Ratio set forth in Section 6.12 for the fiscal quarter ended immediately preceding the date of incurrence of such Indebtedness;

(j) Indebtedness of any Person that becomes a Restricted Subsidiary after the date hereof; provided that (i) such Indebtedness exists at the time such Person becomes a Restricted Subsidiary and is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary and (ii) the aggregate principal amount of Indebtedness permitted by this

clause (j) together with any Refinance Indebtedness in respect thereof permitted by clause (f) above, shall not exceed the greater of (x) \$10,000,000 and (y) 2% of Consolidated Total Assets (measured on a pro forma basis as of the date such Indebtedness is incurred based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding;

(k) Indebtedness in an aggregate principal amount not exceeding the greater of (i) \$20,000,000 and (ii) 4% of Consolidated Total Assets (measured on a pro forma basis as of the date such Indebtedness is incurred based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding;

(l) Indebtedness in respect of Swap Agreements permitted under Section 6.07 ;

(m) Indebtedness which may be deemed to exist pursuant to any guaranties, performance, surety, statutory, appeal or similar obligations incurred in the ordinary course of business;

(n) Indebtedness in respect of netting services, overdraft protections and otherwise in connection with deposit accounts;

(o) Indebtedness consisting of financing of insurance premiums in the ordinary course of business;

(p) Indebtedness incurred by the Borrower or any of its Restricted Subsidiaries in respect of letters of credit, bank guarantees, bankers' acceptances, or similar instruments issued or created in the ordinary course of business, including in respect of workers compensation claims, health, disability or other employee benefits or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims;

(q) Promissory notes issued in connection with the repurchase, redemption or other acquisition or retirement of Equity Interests held by any current or former officer, director or employee of any Parent, the Borrower or any of its Restricted Subsidiaries; provided that such repurchase, redemption, or other acquisition or retirement is permitted by Section 6.08(a)(iii) ;

(r) Indebtedness representing deferred compensation or similar arrangements to employees of Holdings (or any direct or indirect parent thereof) the Borrower or any of its Restricted Subsidiaries incurred in the ordinary course of business;

(s) any Guarantee by the Borrower or a Restricted Subsidiary of Indebtedness of the Borrower or a Restricted Subsidiary that was incurred in compliance with this covenant; provided , however , that if such Indebtedness is by its express terms subordinated in right of payment to the Obligations or the Guarantee of such Restricted Subsidiary, as applicable, any such guarantee with respect to such Indebtedness shall be expressly subordinated in right of payment to the Obligations or such Restricted Subsidiary's Guarantee;

(t) Incremental Equivalent Debt and Refinancing Equivalent Debt and any Permitted Refinancing of the foregoing;

(u) Indebtedness of Foreign Subsidiaries owing to unrelated third-parties in an aggregate principal amount not to exceed the greater of (i) \$5,000,000 and (ii) 1% of Consolidated

Total Assets (measured on a pro forma basis as of the date such Investment is made based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding; provided that such Indebtedness shall be non-recourse to the Loan Parties;

(v) Contingent obligations of any Loan Party in respect of Indebtedness of a Loan Party otherwise permitted under this Section 6.01 ;

(w) unsecured Indebtedness to current or former officers, managers, consultants, directors and employees, their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests or other equity-based awards of the Borrower or any direct or indirect parent of the Borrower permitted by Section 6.08 , in an aggregate amount not to exceed \$5,000,000 at any time outstanding; and

(x) Indebtedness arising from agreements of Borrower or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnout or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Restricted Subsidiary or other Person, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Restricted Subsidiary for the purpose of financing such acquisition; provided that such Indebtedness is not reflected on the balance sheet of Holdings, the Borrower or any Restricted Subsidiary (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet will not be deemed to be reflected as Indebtedness on such balance sheet for purposes of this clause (x)).

For purposes of determining compliance with Section 6.01 , in the event that an item of Indebtedness (or any portion thereof) at any time, whether at the time of incurrence or issuance 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 described in Section 6.01(b) through (x) above, the Borrower, in its sole discretion, will classify and may subsequently reclassify such item of Indebtedness (or any portion thereof) in any one or more of the types of Indebtedness described in Section 6.01(b) through (x) and will only be required to include the amount and type of such Indebtedness in such of the above clauses as determined by the Borrower at such time. The Borrower will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in clauses (b) through (x) .

SECTION 6.02. Liens . No Loan Party will, nor will it permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including Accounts) or rights in respect of any thereof, except:

(a) Liens created pursuant to any Loan Document;

(b) Liens securing Indebtedness permitted by Section 6.01(u) ; provided that such Liens do not extend to any property or asset of any Loan Party;

(c) any Lien on any property or asset of the Borrower or any Restricted Subsidiary existing on the date hereof and set forth in Schedule 6.02 ; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Restricted Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals, refinancings and replacements thereof that do not increase the outstanding principal amount thereof;

(d) Liens on fixed or capital assets acquired, leased, replaced, constructed or improved by the Borrower or any Restricted Subsidiary; provided that (i) such Liens secure Indebtedness permitted by Section 6.01(e) , (ii) such Liens and the Indebtedness secured thereby are incurred prior to or within 120 days after such acquisition, lease or the completion of such replacement, construction or improvement and (iii) such Liens shall not apply to any other property or assets of the Borrower or any Restricted Subsidiary; provided that individual financings of equipment provided by one Person may be cross collateralized to other financings of equipment provided by such Person but not any other Person;

(e) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Restricted Subsidiary or existing on any property or asset of any Person that becomes a Loan Party or a Restricted Subsidiary of a Loan Party, as applicable, or is merged or consolidated with the Borrower or any Restricted Subsidiary after the Effective Date prior to the time such Person becomes a Loan Party or is so merged or consolidated; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition, merger or consolidation or such Person becoming a Loan Party or a subsidiary of a Loan Party, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Loan Party or a subsidiary of a Loan Party and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition, merger or consolidation or the date such Person becomes a Loan Party, as the case may be, and any extensions, renewals, refinancings and replacements thereof;

(f) Liens (i) of a collecting bank arising in the ordinary course of business under Section 4-208 of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon and (ii) in favor of banking or other financial institutions arising as a matter of law or under customary contractual provisions encumbering deposits or other funds maintained with such banking or other financial institutions (including the right of set off and grants of security interests in deposits and/or securities held by such banking or other financial institution) and that are within the general parameters customary in the banking industry;

(g) Liens arising out of Sale and Leaseback Transactions permitted by Section 6.06 ;

(h) Liens granted by a Restricted Subsidiary that is not a Loan Party in favor of the Borrower or another Loan Party in respect of Indebtedness owed by such Restricted Subsidiary;

(i) Lien securing Indebtedness in an aggregate principal amount not exceeding the greater of (i) \$20,000,000 and (ii) 4% of Consolidated Total Assets (measured on a pro forma basis as of the date such Indebtedness is incurred and such Lien is granted based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding;

(j) Liens imposed by law for Taxes, assessments or governmental charges that are not overdue for a period of more than thirty (30) days or that are being contested in compliance with Section 5.04 ;

(k) landlord's, carriers', warehousemen's, mechanics', materialmen's, repairmen's, construction contractor's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that (i) are not overdue by more than thirty (30) days or, if more than thirty (30) days overdue, are unfiled and no other action has been taken to enforce such Liens or (ii) are being contested in compliance with Section 5.04 ;

(l)(i) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, health, disability or employee benefits, unemployment insurance and other social security laws or similar legislation or regulations or other insurance-related obligations and (ii) pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to Holdings, the Borrower or any of its Restricted Subsidiaries;

(m) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(n) judgment Liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII ;

(o) easements, survey exceptions, zoning restrictions, ground leases, rights-of-way, encroachments, other minor defects or irregularities in title, and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Restricted Subsidiary;

(p) any interest or title of a lessor or sublessor under any lease not prohibited by this Agreement;

(q) Liens arising from precautionary uniform commercial code financing statements (or similar filings under applicable law) filed under any lease permitted by this Agreement;

(r) non-exclusive licenses and sublicenses granted by a Loan Party or any Restricted Subsidiary of a Loan Party and leases and subleases (by a Loan Party or any Restricted Subsidiary of a Loan Party as lessor or sublessor) to third parties in the ordinary course of business not interfering with the business of the Loan Parties or any of their Restricted Subsidiaries;

(s) Liens arising out of consignment or similar arrangements for the sale of goods entered into by the Borrower or any Restricted Subsidiary of the Borrower in the ordinary course of business;

(t) Liens in favor of customs and revenue authorities arising as a matter of law which secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(u) Liens solely on any cash earnest money deposits made by the Borrower or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(v) Liens on the property of any non-Loan Party, which Liens secure Indebtedness of any non-Loan Party incurred pursuant to clause (e) of Section 6.01 ; and

(w) Liens securing Incremental Equivalent Debt and Refinancing Equivalent Debt (and any Permitted Refinancing in respect of such Incremental Equivalent Debt and Refinancing Equivalent Debt), in each case, which is permitted to be secured pursuant to the provisions of this Agreement.

SECTION 6.03. Fundamental Changes .

(a) No Loan Party will, nor will it permit any Restricted Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing, (i) any Person may merge into the Borrower in a transaction in which the surviving entity is the Borrower, (ii) any Person may merge into any Restricted Subsidiary in a transaction in which the surviving entity is a Restricted Subsidiary and, if any party to such merger is a Loan Party, is or becomes a Restricted Subsidiary that is Loan Party concurrently with such merger and (iii) any Restricted Subsidiary that is not a Loan Party may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders; provided that any such merger involving a Person that is not a wholly owned Restricted Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.04 .

(b) No Loan Party will, nor will it permit any Restricted Subsidiary to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and its Restricted Subsidiaries on the date hereof and businesses reasonably related thereto.

(c) Holdings will not engage in any business or activity other than (i) the ownership of all of the outstanding Equity Interests of the Borrower, (ii) engaging in corporate and administrative functions and other activities incidental thereto, (iii) the maintenance of its capital structure including the issuance of Equity Interests (including Qualified Capital Stock) and entering into those agreements and arrangement incidental thereto and (iv) financing activities, including the issuance of securities, incurrence of debt, payment of dividends, making contributions to the capital of its Restricted Subsidiaries and guaranteeing the obligations of its Restricted Subsidiaries in each case solely to the extent not prohibited hereunder. Holdings will not own or acquire any assets (other than Equity Interests of the Borrower and the cash proceeds of any Restricted Payments permitted by Section 6.08 or proceeds of any issuance of Indebtedness or Equity Interests not prohibited by this Agreement pending application as required by this Agreement) or incur any liabilities (other than liabilities under the Loan Documents and liabilities reasonably incurred in connection with its maintenance of its existence); provided that after the Effective Date any other Person or Persons (“ New Holdings ”) that is a Restricted Subsidiary of (or are Restricted Subsidiaries of) Holdings or of any Parent of Holdings (or the previous New Holdings, as the case may be) but not the Borrower (“ Previous Holdings ”); provided that (A) such New Holdings directly owns (1) 100% of the Equity Interests of the Borrower and (2) 100% of the Equity Interests of each other direct Subsidiary of Previous Holdings which were owned by Previous Holdings immediately prior thereto, (B) New Holdings shall expressly assume all the obligations of Previous Holdings under this Agreement and the other Loan Documents pursuant to a supplement hereto or thereto in form and substance reasonably satisfactory to the Administrative Agent, (C) Holdings and the Borrower shall be required to deliver a favorable opinion of counsel on the corporate and collateral matters reasonably requested by the Administrative Agent, (D) all Equity Interest of the Borrower and each other direct Subsidiary of Previous Holdings and substantially all of the other assets of Previous Holdings are contributed or otherwise transferred directly to such New Holdings and pledged to secure the Obligations, (F) (1) no Default or Event of Default has occurred and is continuing at the time of such substitution and such substitution does not result in any Default or Event of Default, (2) such substitution does not result in any material adverse tax consequences to any Loan Party and (3) such substitution does not result in any adverse tax consequences to any Lender (unless reimbursed hereunder) or to the Administrative Agent (unless reimbursed hereunder), (G) no Change in Control shall occur, (H) the Administrative Agent shall have received at least fifteen Business Days prior written notice of the proposed transaction and Previous Holdings, New Holdings and the Borrower shall promptly and in any event at least ten business days prior to the consummation of the transaction provide all information any Lender or Administrative Agent may

reasonably request to satisfy its “know your customer” and other similar requirements with respect to the proposed successor New Holdings, (I) New Holdings shall be an entity organized or existing under the law of the United States, any state thereof or the District of Columbia, (J) the Loan Parties shall execute and deliver amendments, supplements and other modification to all Loan Documents and instruments and agreements executed in connection therewith in order to perfect and protect the liens and security interests in the Collateral of the New Holdings, in each case in form and substance satisfactory to the Administrative Agent, and (K) the Borrower delivers a certificate of the chief financial officer or the chief executive officer with respect to the satisfaction of the conditions set forth in this definition.

(d) No Loan Party will, nor will it permit any Restricted Subsidiary to change its fiscal year; provided , however , that any Restricted Subsidiary of the Borrower that does not have a fiscal year ending on December 31, may, upon prior written notice to the Administrative Agent, change its fiscal year end to December 31.

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions . No Loan Party will, nor will it permit any Restricted Subsidiary to make any Investment, except:

(a) Permitted Investments;

(b) Investments in existence on the date hereof and described in Schedule 6.04 ;

(c) Investments by the Borrower and the Restricted Subsidiaries in Equity Interests, or as capital contribution in respect thereof, in their respective Restricted Subsidiaries, provided that (i) any such Equity Interests held by a Loan Party shall be pledged pursuant to the Security Agreement (subject to the exclusions set forth herein) and (ii) the aggregate amount of investments by Loan Parties in Restricted Subsidiaries that are not Loan Parties (together with outstanding intercompany loans permitted under Section 6.04(d) and outstanding Guarantees permitted under the Section 6.04(e)) shall not exceed the greater of (x) \$30,000,000 and (y) 5.50% of Consolidated Total Assets (measured on a pro forma basis as of the date such Investment is made based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding (in each case determined at the time of making such Investment without regard to any write-downs or write-offs);

(d) loans or advances made by the Borrower to any Restricted Subsidiary and made by any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary, provided that (i) any such loans and advances made by a Loan Party shall be evidenced by a promissory note pledged pursuant to the Security Agreement and (ii) the amount of such loans and advances made by Loan Parties to Restricted Subsidiaries that are not Loan Parties (together with outstanding Investments permitted under Section 6.04(c) and outstanding Guarantees permitted under Section 6.04(e)) shall not exceed the greater of (x) \$30,000,000 and (y) 5.50% of Consolidated Total Assets (measured on a pro forma basis as of the date such Investment is made based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding (in each case determined at the time of making such Investment without regard to any write-downs or write-offs);

(e) Guarantees constituting Indebtedness permitted by Section 6.01 , provided that the aggregate principal amount of Indebtedness of Restricted Subsidiaries that are not Loan Parties that is Guaranteed by any Loan Party shall (together with outstanding Investments permitted under clause (ii) to the proviso to Section 6.04(c) and outstanding intercompany loans permitted under clause (ii) to the proviso to Section 6.04(d)) shall not exceed the greater of (x) \$30,000,000 and (y)

5.50% of Consolidated Total Assets (measured on a pro forma basis as of the date such Investment is made based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) at any time outstanding (in each case determined at the time of making such Guarantee without regard to any write-downs or write-offs);

(f) loans or advances made to directors, officers and employees of the Loan Parties or any parent company or subsidiary of such Person on an arms-length basis in the ordinary course of business for travel and entertainment expenses, relocation costs or similar purposes up to a maximum of \$500,000 in the aggregate at any one time outstanding;

(g) extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business and notes payable, stock, other securities or other non-cash consideration issued by Account Debtors to a Loan Party pursuant to negotiated agreements with respect to settlement of such Account Debtor's Accounts in the ordinary course of business;

(h) Investments in the form of Swap Agreements permitted by Section 6.07 ;

(i) Investments of any Person existing at the time such Person becomes a Restricted Subsidiary of the Borrower or consolidates or merges with the Borrower or any of the Restricted Subsidiaries (including in connection with a permitted acquisition) so long as such Investments were not made in contemplation of such Person becoming a Restricted Subsidiary or of such merger;

(j) Investments received in connection with the dispositions of assets permitted by Section 6.05 ;

(k) Investments constituting deposits described in clauses (l)(i) and (m) of Section 6.02 ;

(l) Investments not to exceed the greater of (i) \$10,000,000 and (ii) 2.00% of Consolidated Total Assets (measured on a pro forma basis as of the date such Investment is made based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) in the aggregate at any one time outstanding;

(m) subject to satisfaction of the applicable Available Amount Usage Conditions, Investments not to exceed the sum of (i) Available Amount plus (ii) \$40,000,000 (in each case determined at the time of making such Guarantee without regard to any write-downs or write-offs); provided that with respect to any acquisition (by merger or otherwise) of any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or of any acquisition of property which constitutes all or substantially all of an operating unit of a business, the target of such acquisition shall not, on a stand-alone basis, have negative EBITDA (calculated in accordance with this Agreement, including Pro Forma Adjustments relating only to such target); provided , further , that for any acquisition of more than one businesses or locations in related transactions, such calculation will be made on a combined basis for all such businesses or locations purchased;

(n) any Investment by the Borrower or any of its Restricted Subsidiaries in a Person that is engaged in a business permitted pursuant to Section 6.03 , but, for purposes of this clause (n) , to the extent that, as a result of such Investment:

(i) such Person becomes a Loan Party on the date of such Investment (it being understood that the filing of a customary Uniform Commercial Code financing statement, the execution of a supplement to the Security Agreement, the delivery of a customary opinion of counsel and the delivery of pledged equity (to the extent certificated) shall occur on the date of such investment, but the execution of other collateral documents or agreements (including landlord waivers and control agreements, if any) shall occur within the times provided for in the Security Agreement or such later time as the Administrative Agent may agree in its sole discretion); 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 Loan Party.

For the avoidance of doubt, to the extent an acquisition described in this clause (n) , includes the indirect acquisition of a Person that is a non-Loan Party, such indirect acquisition shall not be permitted under this clause (n) and must otherwise be permitted under this Section 6.04 ;

(o) Guarantees of operating leases that do not constitute Indebtedness;

(p) the consummation of the Effective Date Purchase and Investments in connection therewith; and

(q) Investments in connection with Refranchising Transactions.

(r) Investments made by any Restricted Subsidiary that is not a Loan Party to the extent such Investments are made with the proceeds received by such Restricted Subsidiary from an Investment made by a Loan Party in such Restricted Subsidiary otherwise pursuant to this Section 6.04 .

SECTION 6.05. Asset Sales . No Loan Party will, nor will it permit any Restricted Subsidiary to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will the Borrower permit any Restricted Subsidiary to issue any additional Equity Interest in such Restricted Subsidiary (other than to the Borrower or another Restricted Subsidiary in compliance with Section 6.04), except:

(a) sales, transfers and dispositions of (i) inventory in the ordinary course of business and (ii) used, obsolete, worn out or surplus equipment or property (including intellectual property) in the ordinary course of business and sales, transfers and dispositions of property no longer used or useful in the conduct of the business of the Borrower and its Restricted Subsidiaries;

(b) sales, transfers, leases, licenses and dispositions of assets to the Borrower or any Restricted Subsidiary, provided that any such sales, transfers or dispositions involving a Restricted Subsidiary that is not a Loan Party shall be made in compliance with Section 6.09 ;

(c) sales, transfers, dispositions and discounts of accounts receivable in connection with the compromise, settlement or collection thereof;

(d) sales, transfers and dispositions of cash and Permitted Investments and other Investments permitted by clauses (i) and (k) of Section 6.04 ;

(e) Sale and Leaseback Transactions permitted by Section 6.06 ;

(f) dispositions resulting from any casualty or other damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower or any Restricted Subsidiary;

(g) sales, transfers and other dispositions of assets (other than Equity Interests in a wholly owned Restricted Subsidiary unless all Equity Interests in such Restricted Subsidiary are sold) to franchisees that are not permitted by any other clause of this Section , provided that the aggregate fair market value of all assets sold, transferred or otherwise disposed of in reliance upon this paragraph (g) shall not exceed the greater of (i) \$25,000,000 and (ii) 4.5% of Consolidated Total Assets (measured on a pro forma basis as of the date of such sales, transfers and other dispositions of assets based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date) during any fiscal year of the Borrower and the greater of (i) \$75,000,000 and (ii) 13.50% of Consolidated Total Asset in the aggregate (measured as of the date of such sales, transfers and other dispositions of assets based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date);

(h) any merger, amalgamation, consolidation, liquidation, wind-up or dissolution, the purpose of which is to effect a disposition otherwise permitted in this Section 6.05 ;

(i) dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such disposition are promptly applied to the purchase price of such replacement property;

(j) (i) leases, subleases, licenses or sublicenses, in each case in the ordinary course of business and which do not materially interfere with the business of the Borrower and its Restricted Subsidiaries, taken as a whole and (ii) dispositions of intellectual property that do not materially interfere with the business of the Borrower or any of its Restricted Subsidiaries;

(k) 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;

(l) the unwinding of any Swap Agreement;

(m) the lapse or abandonment in the ordinary course of business of any registrations or applications for registration of any immaterial intellectual property;

(n) any swap of assets (other than Cash Equivalents) in exchange for assets of the same type in the ordinary course of business of comparable or greater value or usefulness to the business of the Borrower and its Restricted Subsidiaries as a whole, as determined in good faith by the Borrower;

(o) Restricted Payments permitted by Section 6.08 , Investments permitted by Section 6.04 (including in connection with Refranchising Transactions), Liens permitted by Section 6.02 ;

(p) dispositions of property listed on Schedule 6.05(p) ;

(q) other dispositions not to exceed the greater of (i) \$15,000,000 and (ii) 3% of Consolidated Total Assets (measured as of the date of such dispositions based on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries delivered pursuant to Section 5.01 most recently on or prior to such date); and

(r) dispositions in connection with Refranchising Transactions;

provided that dispositions permitted under Section 6.05 (other than those permitted by paragraphs (b) , (d) , (f) , (h) , (k) , (l) , (m) and (o)) shall be made for no less than the fair market value of such property at the time of such disposition as determined in good faith by the applicable Loan Party and shall be for at least 75% cash consideration; provided , further , that the following shall be deemed to be cash: (x) the repayment or assumption of Indebtedness secured by Liens with a priority to the Liens in favor of the Secured Parties and (y) any securities, notes or other obligations received by the Borrower or any such Restricted Subsidiary from such transferee that are, within 180 days of the disposition of Collateral, converted by the Borrower or such Restricted Subsidiary into cash or Permitted Investments. To the extent any Collateral is disposed of as expressly permitted by this Section 6.05 to any Person other than Holdings, the Borrower or a Restricted Subsidiary, such Collateral shall 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 shall be authorized to take any actions deemed appropriate in order to effect the foregoing.

SECTION 6.06. Sale and Leaseback Transactions . No Loan Party will enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred (a “Sale and Leaseback Transaction”), except for any such sale of any fixed or capital assets by the Borrower or any Restricted Subsidiary that is made for cash consideration in an amount not less than the fair value of such fixed or capital asset and is consummated within 90 days after such Borrower or such Restricted Subsidiary acquires or completes the construction of such fixed or capital asset.

SECTION 6.07. Swap Agreements . No Loan Party will, nor will it permit any Restricted Subsidiary to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Borrower or any Restricted Subsidiary has actual exposure (other than those in respect of Equity Interests of the Borrower or any of its Restricted Subsidiaries), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from floating to fixed rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Restricted Subsidiary or foreign exchange contract, currency swap agreement, currency option or other similar agreement or arrangement for the purpose of fixing, hedging or swapping currency exchange rates, in each case, in the ordinary course of business and not for speculative purposes.

SECTION 6.08. Restricted Payments; Certain Payments of Indebtedness .

(a) No Loan Party will, nor will it permit any Restricted Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except as set forth in Section 6.08(b) and (i) each of Holdings and the Borrower may declare and pay dividends with respect to its common stock payable solely in additional shares of its common stock, and, with respect to its preferred stock, payable solely in additional shares of such preferred stock or in shares of its common stock, (ii) Restricted Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (iii) (x) the Borrower may make Restricted Payments (the proceeds of which may be utilized by Holdings to make additional Restricted Payments), not exceeding \$1,000,000 during any fiscal year, pursuant to and in accordance with stock option plans or other

benefit plans for management or employees of the direct or indirect Parent of Holdings, Holdings, the Borrower and its Restricted Subsidiaries and (y) following a Qualifying IPO, the Borrower may make Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Equity Interests (other than Disqualified Capital Stock) of Holdings held by any future, present or former employee, director, manager or consultant of Holdings, any of its Restricted Subsidiaries pursuant to any management equity plan or stock option plan or any other employee benefit plan, management plan or agreement, or any stock subscription or shareholder agreement; provided that, the aggregate Restricted Payments made under this clause (y) subsequent to the Effective Date do not exceed in any fiscal year \$5,000,000 plus the net cash proceeds of any “key man” life insurance policies contributed to the Borrower in cash plus cash proceeds from the sale to any employees or members of management (or their respective Immediate Family Members of Equity Interests of the Borrower or any direct or indirect parent company of the Borrower (to the extent such proceeds are contributed to the Borrower) pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the direct or indirect Parent of Holdings, Holdings, the Borrower and its Restricted Subsidiaries (with unused amounts in any calendar year being carried over to succeeding fiscal years subject to maximum aggregate Restricted Payments under this clause of \$10,000,000 in any fiscal year), (iv) the Borrower may make Restricted Payments of an amount equal to the Permitted Tax Distribution Amount with respect to a taxable period (on a quarterly or less frequent basis and with the Permitted Tax Distribution Amounts with respect to a taxable period permitted to be paid either during or after such period), (v) [reserved], (vi) subject to satisfaction of the applicable Available Amount Usage Conditions, Restricted Payments not to exceed the sum of (x) Available Amount plus (y) \$20,000,000 (less the amount paid under clause (b)(v)(y), below), (vii) the repurchase of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price of those stock options, (viii) Permitted Payments to Parent, (ix) payments to any Parent on the Effective Date used to fund the Aggregate Distribution Amount (as defined in the Purchase Agreement) pursuant to Section 2.01 of the Purchase Agreement, (x) a potential payment to redeem, directly or indirectly, certain securities held by the former chief financial officer of the Borrower in an amount not to exceed \$500,000, (xi) the payment of the Effective Date Dividend, (xii) additional dividends in an aggregate amount per annum not to exceed an amount equal to 6% of the net proceeds received by (or contributed to) the Borrower and its Restricted Subsidiaries from a Qualifying IPO and, (xiii) the Borrower may make (or may make Restricted Payments to allow any Parent to make) Restricted Payments in an amount equal to withholding or similar taxes payable or expected to be payable by any present or former employee, director, manager, consultant or other service provider (or Immediate Family Members) and any repurchases of Equity Interests in consideration of such payments including deemed repurchases in connection with the exercise of stock options or warrants and (xiv) the Borrower may make the 2015 Special Distribution on or about the First Amendment Effective Date .

(b) No Loan Party will, nor will it permit any Restricted Subsidiary to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any subordinated, unsecured or junior lien Indebtedness, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any subordinated, unsecured or junior lien Indebtedness, except:

(i) payment of Indebtedness created under the Loan Documents;

(ii) payment of regularly scheduled interest and principal payments as and when due in respect of any Indebtedness permitted under Section 6.01 , other than payments in respect of the Subordinated Indebtedness prohibited by the subordination provisions thereof;

(iii) refinancings of Indebtedness to the extent permitted by Section 6.01 ;

(iv) payment of secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(v) subject to satisfaction of the applicable Available Amount Usage Conditions, Restricted Payments not to exceed the sum of (x) Available Amount plus (y) \$20,000,000 (less the amount paid under clause (a)(vi)(y) , above);

(vi) the unwinding of any Swap Contract; and

(vii) other restricted payments not to exceed \$5,000,000 in connection with payment of Indebtedness.

SECTION 6.09. Transactions with Affiliates . No Loan Party will, nor will it permit any Restricted Subsidiary to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, other than any transaction or series of related transactions not exceeding \$3,000,000 in the aggregate, and except that the following shall be permitted: (a) transactions at prices and on terms and conditions not less favorable to the Loan Party or such Restricted Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between and among (x) any Loan Parties or (y) any wholly-owned Restricted Subsidiaries that are not Loan Parties, in each case, not involving any other Affiliate, (c) any investment permitted by Section 6.04 , (d) any disposition permitted by Section 6.05 , (e) any Indebtedness permitted under Section 6.01(c) , (f) any Restricted Payment permitted by Section 6.08 , (g) transactions between and among Holdings, the Borrower and any wholly-owned Restricted Subsidiaries reasonably approved by management in in furtherance of the business purposes of Holdings, the Borrower and its Subsidiaries, (h) the payment of reasonable fees to directors of Holdings, the Borrower or any Subsidiary who are not employees of Holdings, the Borrower or any Subsidiary, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of Holdings, the Borrower or its Subsidiaries in the ordinary course of business, (i) any issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans approved by the Borrower's board of directors, (j) the payment of (A) termination payments consisting of twelve months of management fees, the reimbursement of costs and out-of pocket expenses and indemnification obligations, and (B) management fees, which management fees shall not exceed \$1,500,000 in any fiscal year, in each case pursuant to the Management Agreement, provided , that no management fees thereunder shall be permitted to be in cash to the extent that an Event of Default has occurred and is continuing and further provided , that all accrued management fees which were not permitted to be paid in cash at such time shall be permitted to be paid in cash once no Event of Default is continuing, (k) any contribution to the capital of Holdings or any purchase of Equity Interests of Holdings to the extent otherwise permitted by this Agreement, (l) issuances of Equity Interests (and options and warrants therefor) of the Borrower or Holdings to the extent otherwise permitted by this Agreement, (m) payments to or from, and transactions with joint ventures (to the extent any such joint venture is only an Affiliate as a result of Investments by the Holdings, the Borrower or its Subsidiaries in such joint venture and such transactions are reasonably approved by management in in furtherance of the business purposes of Holdings, the Borrower and its Subsidiaries) to the extent otherwise permitted under this Agreement, and (n) the payment of customary fees and reasonable and documented out-of-pocket costs to, and indemnities provided on behalf of, directors, officers, employees and consultants of Holdings, the Borrower and its Restricted Subsidiaries or any direct or indirect parent of the Borrower to the extent attributable to the ownership or operation of the Borrower and its Restricted Subsidiaries.

SECTION 6.10. Restrictive Agreements . No Loan Party will, nor will it permit any Restricted Subsidiary to, directly or indirectly enter into, incur or permit to exist any agreement or other arrangement

that prohibits, restricts or imposes any condition upon (a) the ability of such Loan Party or any of its Restricted Subsidiaries to create, incur or permit to exist any Lien upon any of its property or assets to secure the Obligations under the Loan Documents, or (b) the ability of any Restricted Subsidiary to pay dividends or other distributions with respect to any Equity Interests or to make or repay loans or advances to Holdings, the Borrower or any other Restricted Subsidiary or to Guarantee Indebtedness of Holdings, the Borrower or any other Restricted Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by any Requirement of Law or by any Loan Document (or any agreement governing Permitted Pari Passu Secured Refinancing Debt), (ii) the foregoing shall not apply to restrictions and conditions (A) existing on the date hereof identified on Schedule 6.10 (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition) or (B) are binding on a Restricted Subsidiary at the time such Person first becomes a Restricted Subsidiary, so long as such restrictions and conditions were not entered into in contemplation of such Person becoming a Restricted Subsidiary, (iii) the foregoing shall not apply to (A) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary, or a business unit, units or line of business of a Subsidiary, pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, and (B) with respect to clause (b) only, any Indebtedness (x) of non-Loan Parties permitted to be incurred hereunder, (y) of Loan Parties permitted to be incurred hereunder solely with respect to (i) customary restrictions in such Indebtedness on payments to Holdings or (ii) customary restrictions on payments from Loan Parties to non-Loan Parties; provided that the restrictions and conditions contained in any such agreement or document in clause (B) above do not in the reasonable judgment of the Borrower, materially impair the ability of the Borrower to repay the Loans and grant any Liens hereunder, (iv) the foregoing shall not apply to restrictions and conditions customary in joint venture agreements and other similar agreements applicable to joint ventures and applicable solely to such joint venture, (v) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness and such property or assets do not constitute Collateral and (vi) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof.

SECTION 6.11. Amendment of Material Documents . No Loan Party will, nor will it permit any Restricted Subsidiary to, its certificate or articles of incorporation, by-laws, operating, management or partnership agreement or other organizational documents, to the extent any such amendment, modification or waiver would be materially adverse to the Lenders.

SECTION 6.12. Financial Covenant . At any time during which any Revolving Commitments, Revolving Loans or Revolving Exposure exists or is outstanding, the Borrower will not permit the Total Net Leverage Ratio, on the last day of any fiscal quarter ending during any period set forth below, to be greater than the ratio set forth below opposite such period:

<u>Fiscal Quarter Ending</u>	<u>Total Net Leverage Ratio</u>
June 30, 2014	6.25 to 1.00
September 30, 2014	6.00 to 1.00
December 31, 2014	6.00 to 1.00
March 31, 2015	5.75 to 1.00
June 30, 2015	~~5.75~~ <u>6.50</u> to 1.00
September 30, 2015	~~5.75~~ <u>6.25</u> to 1.00
December 31, 2015	~~5.50~~ <u>6.00</u> to 1.00
March 31, 2016	~~5.25~~ <u>5.75</u> to 1.00
June 30, 2016	~~5.00~~ <u>5.75</u> to 1.00

<u>Fiscal Quarter Ending</u>	<u>Total Net Leverage Ratio</u>
September 30, 2016	~~5.00~~ 5.75 to 1.00
December 31, 2016	~~4.75~~ 5.50 to 1.00
March 31, 2017	~~4.75~~ 5.25 to 1.00
June 30, 2017	~~4.50~~ 5.00 to 1.00
September 30, 2017	~~4.50~~ 5.00 to 1.00
December 31, 2017	~~4.25~~ 4.75 to 1.00
March 31, 2018	~~4.25~~ 4.75 to 1.00
June 30, 2018 and thereafter	~~4.00~~ 4.50 to 1.00
September 30, 2018	~~4.50~~ to 1.00
December 31, 2018	~~4.25~~ to 1.00
March 31, 2019	~~4.25~~ to 1.00
June 30, 2019 and thereafter	~~4.00~~ to 1.00

ARTICLE VII

Events of Default

SECTION 7.01. If any of the following events (“Events of Default”) shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Loan Party or any Restricted Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been materially incorrect when made or deemed made;

(d) any Loan Party (other than Immaterial Subsidiaries) shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a), Section 5.03 (with respect to a Loan Party’s existence) or Section 5.08 or in ARTICLE VI (provided that if Borrower has provided notice of an intent to exercise the Cure Right in respect of a Default under Section 6.12, an Event of Default shall not have been deemed to occur until the date by which the Borrower may exercise such Cure Right; and provided further that, notwithstanding this clause (d), no breach or default by under Section 6.12 will constitute a Default or Event of Default with respect to the Term Loans unless and until the Required Revolving Lenders have accelerated the Revolving Loans and terminated the Revolving Commitments and demanded repayment of, or otherwise accelerated, the Indebtedness or other obligations under or in respect of any Revolving Exposure);

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in

clause (a) , (b) or (d)), and such failure shall continue unremedied for a period of 30 days after the earlier of any Loan Party's knowledge of such breach or notice thereof from the Administrative Agent (which notice will be given at the request of any Lender);

(f) any Loan Party or any Restricted Subsidiary of a Loan Party shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any applicable grace period);

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) 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;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of a Loan Party or any Restricted Subsidiary (other than Immaterial Subsidiaries) of any Loan Party or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or any Restricted Subsidiary (other than Immaterial Subsidiaries) of any Loan Party or for a substantial part of its assets, and, in any such case, 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;

(i) any Loan Party or any Restricted Subsidiary (other than Immaterial Subsidiaries) of any Loan Party shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article , (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for such Loan Party or Restricted Subsidiary (other than Immaterial Subsidiaries) of any Loan Party or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) any Loan Party or any Restricted Subsidiary of any Loan Party shall become unable, admit in writing its inability or fail generally, to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$15,000,000 shall be rendered against any Loan Party, any Restricted Subsidiary of any Loan Party or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of any Loan Party or any Restricted Subsidiary of any Loan Party to enforce any such judgment or any Loan Party or any Restricted Subsidiary of any Loan Party shall fail within 30 days to discharge one or more non-monetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgments or orders, in any such case, are not stayed on appeal and being appropriately contested in good faith by proper proceedings diligently pursued;

(l) an ERISA Event shall have occurred that when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur;

(n) any Loan Guaranty shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Loan Guaranty, or any Loan Guarantor shall fail to comply with any of the terms or provisions of the Loan Guaranty, or any Loan Guarantor shall deny that it has any further liability under the Loan Guaranty, or shall give notice to such effect, including, but not limited to notice of termination delivered pursuant to Section 10.08 ;

(o) except as permitted by the terms of any Collateral Document, or as a result of the Administrative Agent's failure to maintain possession of any stock certificates, promissory notes or other instruments delivered under the Collateral Documents or to file Uniform Commercial Code continuation statements or any other filings required to maintain such perfection or priority and except to the extent such loss is covered by a Lender's title insurance policy and the Administrative Agent shall be reasonably satisfied with the credit of such insurer, (i) any Lien securing any Secured Obligation shall cease to be a perfected, first priority Lien on, or (ii) any Collateral Document shall for any reason fail to create a valid security interest in, in each case, Collateral with an aggregate fair market value in excess of \$5,000,000 (for all such Collateral) purported to be covered thereby;

(p) except as permitted by the terms of this Agreement, any Loan Document shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Collateral Document; or

(q) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction that evidences its assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms),

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, but ratably as among the Classes of Loans and the Loans of each Class at the time outstanding, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article , the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon

and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC.

SECTION 7.02. (a) Notwithstanding anything to the contrary, in the event the Borrower fails to comply with the requirements of Section 6.12 for any period, until the expiration of the 10th day after the date the certificate calculating the financial covenants is required to be delivered pursuant to Section 5.01 for such period, any direct or indirect parent of Holdings shall have the right to make cash contributions in respect of common equity or as common Equity Interests in Holdings (collectively, the “Cure Right”), and upon contribution by Holdings of such cash to the Borrower in respect of common equity or as cash common equity (the amount of such contribution, the “Cure Amount”), the financial covenants in Section 6.12 shall be recalculated giving effect to the following pro forma adjustments: (i) EBITDA (for such fiscal quarter) shall be increased, solely for the purpose of measuring the financial covenants (and not to determine whether the Borrower is in pro forma compliance with the other financial ratios in this Agreement) and not for any other purpose under this Agreement, by an amount equal to the Cure Amount; and (ii) if, after giving effect to the foregoing recalculations, the Borrower shall then be in compliance with the requirements of the financial covenants, the Borrower shall be deemed to have satisfied the requirements of the financial covenants as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of the financial covenants that had occurred shall be deemed cured for purposes of this Agreement.

(b) Notwithstanding anything herein to the contrary, (i) during any period of four consecutive fiscal quarters there shall be at least two fiscal quarters during which the Cure Right has not been exercised, (ii) there shall be no more than five times during the term of this Agreement during which the Cure Right is exercised, (iii) the Cure Amount shall be no greater than the amount required for purposes of complying with the financial covenants for the relevant period, (iv) any reduction in Indebtedness with the proceeds of any Cure Amount shall be ignored for purposes of determining compliance with the financial covenants (and not to determine whether the Borrower is in pro forma compliance with the other financial ratios in this Agreement) for so long as EBITDA is increased by the Cure amount for such purposes and (v) all Cure Amounts shall be disregarded for purposes of determining compliance with financial ratio-based conditions contained herein or any baskets with respect to the covenants contained in the Loan Documents. The Revolving Lenders shall not be required to comply with any request for Borrowing during any financial covenant default and until such time as the Borrower has received the Cure Amount necessary for complying with the financial covenants for the relevant period.

ARTICLE VIII

The Administrative Agent

SECTION 8.01. Appointment . Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. In addition, to the extent required under the laws of any jurisdiction other than the U.S., each of the Lenders and the Issuing Bank hereby grants to the Administrative Agent any required powers of attorney to execute any Collateral Document governed by the laws of such jurisdiction on such Lender’s or Issuing Bank’s behalf. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders (including the Swingline Lender and the

Issuing Bank), and the Loan Parties shall not have rights as a third party beneficiary of any of such provisions (other than their express consent rights with respect to Borrower's consent rights to approve a successor Administrative Agent appointed by the Required Lenders). It is understood and agreed that the use of the term "agent" as used herein or in any other Loan Documents (or any similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

SECTION 8.02. Rights as a Lender . The bank serving as the 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 the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Loan Parties or any Restricted Subsidiary of a Loan Party or other Affiliate thereof as if it were not the Administrative Agent hereunder.

SECTION 8.03. Duties and Obligations . The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and, (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Restricted Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral, or (vi) the satisfaction of any condition set forth in ARTICLE IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan.

SECTION 8.04. Reliance . The Administrative 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 believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. 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 8.05. Actions through Sub-Agents . The Administrative Agent may perform any and all of its duties and exercise its rights and powers 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 its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties 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 8.06. Resignation . Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Bank and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed), to appoint a successor; provided that no such consent of the Borrowers shall be required at any time during the existence of an Event of Default. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent which shall be a commercial bank or an Affiliate of any such commercial bank. Upon the acceptance of its appointment as Administrative Agent hereunder by its successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed by the Borrower and such successor. Notwithstanding the foregoing, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Bank and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, provided that, solely for purposes of maintaining any security interest granted to the Administrative Agent under any Collateral Document for the benefit of the Secured Parties, the retiring Administrative Agent shall continue to be vested with such security interest as collateral agent for the benefit of the Secured Parties and, in the case of any Collateral in the possession of the Administrative Agent, shall continue to hold such Collateral, in each case until such time as a successor Administrative Agent is appointed and accepts such appointment in accordance with this paragraph (it being understood and agreed that the retiring Administrative Agent shall have no duty or obligation to take any further action under any Collateral Document, including any action required to maintain the perfection of any such security interest), and (b) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, provided that (i) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (ii) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall also directly be given or made to each Lender and the Issuing Bank. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article , Section 2.17(d) and Section 9.03 , as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent and in

respect of the matters referred to in the proviso under clause (a) above. Any such resignation by the Administrative Agent hereunder shall also constitute its resignation as an Issuing Bank and the Swingline Lender, in which case the resigning Administrative Agent (x) shall not be required to issue any further Letters of Credit or make any additional Swingline Loans hereunder and (y) shall maintain all of its rights as Issuing Bank or Swingline Lender, as the case may be, with respect to any Letters of Credit issued by it, or Swingline Loans made by it, prior to the date of such resignation.

SECTION 8.07. Intercreditor and Subordination Agreements . The Administrative Agent and each Credit Party (a) hereby agrees that it will be bound by and will take no actions contrary to the provisions of any intercreditor agreement and subordination agreement entered into pursuant to the terms hereof, (b) hereby authorizes and instructs the Administrative Agent to enter into each intercreditor agreement and subordination agreement entered into pursuant to the terms hereof and to subject the Liens securing the Obligations to the provisions thereof, and (c) hereby authorizes and instructs the Administrative Agent to enter into any intercreditor agreement and subordination agreement that includes, or to amend any then existing intercreditor agreement and subordination agreement.

SECTION 8.08. Non-Reliance .

Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and letters of credit and not investments in a business enterprise or securities. Each Lender further represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder. Each Lender shall, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document, any related agreement or any document furnished hereunder or thereunder and in deciding whether or to the extent to which it will continue as a lender or assign or otherwise transfer its rights, interests and obligations hereunder.

SECTION 8.09. Administrative Agent May File Proof of Claim . In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or 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 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 Credit Parties and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Credit Parties and the Administrative Agent and their respective agents and counsel and all other amounts due the Credit Parties and the Administrative Agent hereunder) allowed in such judicial proceeding;

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and

(c) any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Credit Party 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 Credit Parties, 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 to the Administrative Agent hereunder.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Credit Party any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Credit Party or to authorize the Administrative Agent to vote in respect of the claim of any Credit Party in any such proceeding.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices .

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (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 fax, as follows:

(i) if to any Loan Party, to it in care of the Borrower at:

Planet Fitness
26 Fox Run Road
Newington, NH 03801
Attention: Richard Moore, Executive Vice President
and General Counsel
Fax No: 603-742-1544

(ii) if to the Administrative Agent, the Swingline Lender, or the Issuing Bank, to JPMorgan Chase Bank, N.A. at:

Loan and Agency Services Group
10 South Dearborn, 7th Floor
Chicago, IL 60603-2003
Attention: Darren Cunningham
Fax No: (888) 292-9533
Phone No: (312)385-7080

With a copy to:

JPMorgan Chase Bank, N.A.
2 Corporate Drive, Floor 07
Shelton, CT, 06484-6238
Attention: Peter Killea
Fax No: (203) 944-8495

(iii) if to any other Lender, to it at its address or fax number set forth in its Administrative Questionnaire.

All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received, (ii) sent by fax shall be deemed to have been given when sent, provided 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 Business Day for the recipient, or (iii) delivered through electronic communication to the extent provided in paragraph (b) below shall be effective as provided in such paragraph.

(b) Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communications (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 pursuant to ARTICLE II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower (on behalf of the Loan Parties) 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. All such notices and other communications (i) 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 not given during the normal business hours of the recipient, such notice shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) 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 (b)(i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Any party hereto may change its address or fax number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any such change by a Lender, by notice to the Borrower and the Administrative Agent).

SECTION 9.02. Waivers; Amendments.

(a) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document 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 Administrative Agent, the Issuing Bank and the Lenders hereunder and under any other Loan Document are cumulative and are not exclusive of any rights or remedies that they would otherwise have. 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, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Except as provided in Sections 2.23, 2.24 and 2.25, neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except (i)

in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders (other than with respect to any amendment or waiver contemplated in clauses (B) , (C) , (D) and (E) which shall only require the consent of each Lender directly and adversely affected thereby or clauses (H) and (I) which shall only require the consent of the applicable Required Class Lenders), or (ii) in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, with the consent of the Required Lenders; provided that, no such agreement shall (A) increase the Commitment of any Lender without the written consent of such Lender (including any such Lender that is a Defaulting Lender, it being understood that no amendment, modification, termination, waiver or consent with respect to any condition precedent, covenant, mandatory prepayment or Default shall constitute an increase in the Commitment of any Lender), (B) reduce or forgive the principal amount of any Loan or LC Disbursement (except in connection with a payment contemplated by clause (I) below) or reduce the rate of interest thereon (it being understood that any amendment or modification to the financial definitions in this Agreement shall not constitute a reduction in the rate of interest for purposes of this clause (B)), or reduce or forgive any interest or fees payable hereunder, without the written consent of each Lender directly and adversely affected thereby, (C) postpone any scheduled date of payment of the principal amount of any Loan or LC Disbursements, or any date for the payment of any interest, fees or other Obligations payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly and adversely affected thereby, (D) change Section 2.18(b) or (d) in a manner that would alter the manner in which payments are shared, without the written consent of each Lender directly and adversely affected thereby, (E) change any of the provisions of this Section or the definition of “Required Lenders” or “Required Revolving Lenders” or “Required Class Lenders” or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender directly affected thereby, (F) release all or substantially all Loan Guarantors from their obligation under its Loan Guaranty (except as otherwise permitted herein or in the other Loan Documents), without the written consent of each Lender (other than any Defaulting Lender), (G) except as provided in clause (c) of this Section or in any Collateral Document, release all or substantially all of the Collateral (it being understood that additional Classes of Loans consented to by the Required Lenders may be equally and ratably secured (or secured on a junior basis) by the Collateral with the then existing Secured Obligations under the Security Agreement) without the written consent of each Lender (other than any Defaulting Lender); (H) (1) waive any condition set forth in Section 4.02 as to any extension of credit as to one or more Classes of Loans or (2) amend, waive or otherwise modify any term or provision which directly affects Lenders under one or more Class of Loans and does not directly affect Lenders under any other Class (it being understood that the provisions of Section 6.12 (or the definition of “Total Net Leverage Ratio” or any component definition thereof, in each case, as such definition is used solely for purposes of Section 6.12) shall be deemed to solely affect Revolving Lenders for the purposes of this clause (H)), in each case, without the written consent of the Required Class Lenders under such applicable Class or Classes of Loans (and in the case of multiple Classes which are affected, such Required Class Lenders shall consent together) (it being understood that any amendment to the conditions of effectiveness of Commitments in respect of Incremental Facilities or Commitments in respect of Refinancing Loans shall be subject to clause (I) below); provided , that the waivers described in this clause (H) shall not require the consent of any Lenders other than (x) the Required Class Lenders under such Class or Classes and (y) in the case of any waiver that otherwise would be subject to clause (A) , (B) , (C) , (D) , (E) or (F) above, each Lender or each directly affected Lender (as specified in clause (A) , (B) , (C) , (D) , (E) or (F) above) under the applicable Class or Classes of Loans or (I) amend, waive or otherwise modify any term or provision (including the availability and conditions to funding under Section 2.23 or 2.24 with respect to Incremental Loans and the rate of interest applicable thereto or Refinancing Loans) which directly affects Lenders of one or more Incremental Loans or Refinancing Loans, as the case may be, and does not directly affect Lenders under any other Class, in each case, without the written consent of the Required Class Lenders under such applicable Incremental

Loans or Refinancing Loans, as the case may be (and in the case of multiple Classes which are affected, such Required Class Lenders shall consent together); provided, that the waivers described in this clause (I) shall not require the consent of any Lenders other than (x) the Required Class Lenders under such applicable Incremental Loans or Refinancing Loans and (y) in the case of any waiver that otherwise would be subject to clause (A), (B), (C), (D), (E) or (F) above, each Lender or each directly affected Lender (as specified in clause (A), (B), (C), (D), (E) or (F) above) under the applicable Class or Classes of Incremental Loans or Refinancing Loans; provided further that in respect of each of the foregoing clauses (A) through (I), no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Swingline Lender or the Issuing Bank hereunder without the prior written consent of the Administrative Agent, the Swingline Lender or the Issuing Bank, as the case may be (it being understood that any change to Section 2.20 shall require the consent of the Administrative Agent, the Swingline Lender and the Issuing Bank). Notwithstanding anything to the contrary in this Section, if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and the Borrower 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 if the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof. The Administrative Agent may also amend the Commitment Schedule to reflect assignments entered into pursuant to Section 9.04.

(c) The Lenders and the Issuing Bank hereby irrevocably authorize the Administrative Agent and the Administrative Agent shall release any Liens granted to the Administrative Agent by the Loan Parties on any Collateral (i) upon the termination of the all Commitments, payment and satisfaction in full in cash of all Secured Obligations (other than Unliquidated Obligations), and the cash collateralization of all Unliquidated Obligations (other than contingent indemnification obligations in respect of which no claim has been made) in a manner reasonably satisfactory to each affected Lender, (ii) constituting property being sold or disposed of if the Loan Party disposing of such property certifies to the Administrative Agent that the sale or disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry), and to the extent that the property being sold or disposed of constitutes 100% of the Equity Interest of a Restricted Subsidiary, the Administrative Agent is authorized to release any Loan Guaranty and any other Collateral provided by such Restricted Subsidiary, (iii) constituting property leased to a Loan Party under a lease which has expired or been terminated in a transaction permitted under this Agreement, or (iv) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Administrative Agent and the Lenders pursuant to ARTICLE VII. Except as provided in the preceding sentence, the Administrative Agent will not release any Liens on Collateral without the prior written authorization of the Required Lenders. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations 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. Any execution and delivery by the Administrative Agent of documents in connection with any such release shall be without recourse to or warranty by the Administrative Agent.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of “each Lender” or “each Lender affected thereby,” the consent of the Required Lenders or Required Class Lenders, as applicable, is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but has not been obtained being referred to herein as a “Non-Consenting Lender”), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume

all obligations of the Non-Consenting Lender to be terminated as of such date, to comply with the requirements of clause (b) of Section 9.04 , and consents to any such proposed amendment, waiver or consent, and (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17 , and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

SECTION 9.03. Expenses; Indemnity; Damage Waiver .

(a) The Loan Parties, jointly and severally, shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of one primary counsel and one local counsel in each relevant jurisdiction for the Administrative Agent, in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Intralinks) of the credit facilities provided for herein, the preparation and administration of the Loan Documents or any amendments, modifications or waivers of the provisions of the Loan Documents, (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Issuing Bank or any Lender, including the reasonable fees, charges and disbursements of one primary counsel for the Administrative Agent, the Issuing Bank and the Lenders, taken as a whole, and one local counsel in any relevant jurisdiction to the Administrative Agent, the Issuing Bank and the Lenders, taken as a whole, and one additional counsel in light of actual or potential conflicts of interest or the availability of different claims or defenses) in connection with the enforcement, collection or protection of its rights in connection with the Loan Documents, including its rights under this Section , or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

All of the foregoing costs and expenses may be charged to the Borrower as Revolving Loans or to another deposit account, all as described in Section 2.18(c) .

(b) Borrower shall indemnify the Administrative Agent, the Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “ Indemnitee ”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and to reimburse each Indemnitee for reasonable out-of-pocket expenses (including reasonable legal expenses by one counsel to such Indemnitees taken as a whole and in the case of a conflict of interest, one additional counsel to the affected Indemnitees taken as a whole (and if reasonably necessary, of one local counsel in any relevant jurisdiction)), for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Restricted Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Restricted Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto, and to reimburse each

Indemnatee for reasonable out-of-pocket expenses (including reasonable legal expenses by one counsel to such Indemnitees taken as a whole and in the case of a conflict of interest, one additional counsel to the affected Indemnitees taken as a whole (and if reasonably necessary, of one local counsel in any relevant jurisdiction)) incurred in connection with investigating or defending any of the foregoing; provided that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (1) the (x) bad faith, gross negligence or willful misconduct of such Indemnatee or any of its Related Parties, (y) a material breach of its funding obligations under this Agreement by such Indemnatee or any of its Related Parties, or (2) any dispute solely among indemnified parties (not arising as a result of any act or omission by the Borrower or any of its Restricted Subsidiaries) other than claims against the Administrative Agent, the Issuing Bank or Swingline Lender. This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses or damages arising from any non-Tax claim.

(c) To the extent that the Loan Parties fail to pay any amount required to be paid by them to the Administrative Agent (or any sub-agent thereof), the Swingline Lender or the Issuing Bank (or any Related Party of any of the foregoing) under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, the Swingline Lender or the Issuing Bank (or any Related Party of any of the foregoing), as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that the Borrower's failure to pay any such amount shall not relieve the Borrower or any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, penalty, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Swingline Lender or the Issuing Bank in its capacity as such.

(d) To the extent permitted by applicable law, no Loan Party shall assert, and each hereby waives, any claim against any Indemnatee, for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), except to the extent that any such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (1) the (x) bad faith, gross negligence or willful misconduct of such Indemnatee or its Related Parties. In addition, none of the Borrower, the Permitted Holders, any Indemnatee, any of their respective Affiliates or any Related Party shall be liable under this Agreement on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof (except for the Loan Parties' indemnification obligations under this Agreement or any other Loan Document for liabilities incurred by or asserted or awarded against an Indemnatee).

(e) All amounts due under this Section shall be payable after written demand therefor.

SECTION 9.04. 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 assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section . 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 (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b)(i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution or a Disqualified Institution) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of:

(A) the Borrower, provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof, and provided further that no consent of the Borrower shall be required for an assignment (x) to an Affiliate of the assigning Lender, (y) with respect to Term Loans, to a Lender or to an Affiliate of a Lender, an Approved Fund or (z) to any assignee, if an Event of Default has occurred and is continuing;

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment of all or any portion of a Term Loan to a Lender, an Affiliate of a Lender or an Approved Fund;

(C) the Issuing Bank, provided that no consent of the Issuing Bank shall be required for an assignment of all or any portion of a Term Loan or Term Commitment; and

(D) the Swingline Lender, provided that no consent of the Swingline Lender shall be required for an assignment of all or any portion of a Term Loan or Term Commitment.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender, or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or 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) shall not be less than \$5,000,000 or, in the case of a Term Loan, \$1,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default under Section 7.01(a) , (b) , (h) or (i) has occurred and is continuing;

(B) 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, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the other Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

For the purposes of this Section 9.04(b) , the terms “ Approved Fund ” and “ Ineligible Institution ” have the following meanings:

“ Approved Fund ” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“ Ineligible Institution ” means a (a) natural person, (b) holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof; provided that, such holding company, investment vehicle or trust shall not constitute an Ineligible Institution if it (i) has not been established for the primary purpose of acquiring any Loans or Commitments, (ii) is managed by a professional advisor, who is not such natural person or a relative thereof, having significant experience in the business of making or purchasing commercial loans, and (iii) has assets greater than \$25,000,000 and a significant part of its activities consist of making or purchasing commercial loans and similar extensions of credit in the ordinary course of its business; provided that upon the occurrence of an Event of Default, any Person (other than a Lender) shall be an Ineligible Institution if after giving effect to any proposed assignment to such Person, such Person would hold more than 20% of the then outstanding Revolving Exposure or Revolving Commitments, as the case may be or (c) the Borrower or any of the Borrower's Subsidiaries or other Affiliates. For the avoidance of doubt, the Administrative Agent shall bear no responsibility or liability for monitoring and enforcing the list of Ineligible Institutions or Disqualified Institutions or the assignment of Loans or sales of participations thereto at any time.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section , from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto 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 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 2.15 , 2.16 , 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 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 paragraph (c) of this Section .

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and

principal amount and stated interest of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Bank 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, the Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee’s completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Sections 2.05, 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrower, the Administrative Agent, the Swingline Lender or the Issuing Bank, sell participations to one or more banks or other entities (a “Participant”), other than an Ineligible Institution or a Disqualified Institution, in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitment and the 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 Administrative Agent, the Issuing Bank 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 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, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive. A Participant shall not be entitled to receive any greater payment under Section 2.15 or Section 2.17 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. A Participant shall not be entitled to the benefits of Section 2.17 unless the Borrower and the Administrative Agent are notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower and any withholding Agent, to comply with (and does in fact comply with) Section 2.17(f) as though it were a Lender.

Each Lender that sells a participation agrees, at the Borrower’s request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.19(b) with respect to any

Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters 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 or any other Loan Document (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under this Agreement or any other Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender 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. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank or other central bank having jurisdiction over such Lender, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Notwithstanding anything to the contrary, assignments of the Term Loans to the Sponsor and its affiliates (other than Holdings, the Borrower and its Subsidiaries), each, an "Affiliated Lender") shall be permitted pursuant to (x) open-market purchases or (y) an offer to purchase or take by assignment any Term Loans outstanding at such time to all applicable Lenders on a pro rata basis (including pursuant to a Dutch auction or a reverse Dutch auction), pursuant to customary procedures to be agreed between the applicable Affiliated Lender and the Administrative Agent (and shall require that such Person clearly identify itself as an Affiliated Lender), subject to the following limitations: (i) no Affiliated Lender shall be permitted to make or bring (or participate in, other than as a passive participant in or recipient of its pro rata benefits of) any claim, in its capacity as a Lender, against the Administrative Agent or any other Lender with respect to any duties or obligations or alleged duties or obligations of the Administrative Agent or any such other Lender under the Loan Documents; (ii) Affiliated Lenders will not receive information provided solely to Lenders by the Administrative Agent or any Lender and will not be permitted to attend/participate in meetings attended solely by the Lenders and the Administrative Agent; (iii) for purposes of any amendment, waiver or modification of this Agreement and any other the Loan Document or any plan of reorganization that in either case does not require the consent of each Lender or each affected Lender or does not disproportionately affect such Affiliated Lender in its capacity as a Lender as compared to other Lenders or deprive any Affiliated Lender of its pro rata share of any payment to which all Lenders are entitled, Affiliated Lenders will be deemed to have voted in the same proportion as non-Affiliated Lenders voting on such matter; and (iv) the principal amount of Term Loans (including any Incremental Term Loans) purchased by Affiliated Lenders may not exceed 20% of the aggregate principal amount of the Term Loans outstanding at the time of purchase;

(f) Holdings, the Borrower, its Subsidiaries and any Affiliate thereof (other than Affiliated Lenders) may from time to time purchase, in accordance with this clause (f), Term Loans from one or more Lenders pursuant to (x) open-market purchases or (y) an offer to purchase or take by assignment any Term Loans outstanding at such time to all applicable Lenders on a pro rata basis (including

pursuant to a Dutch auction or a reverse Dutch auction), pursuant to customary procedures to be agreed between Holdings and the Administrative Agent (and shall require that such Person clearly identify itself as Holdings, the Borrower, its Subsidiaries and any Affiliate thereof (other than Affiliated Lenders)), so long as, in the case of each of clauses (x) and (y), (i) immediately after giving effect to such purchase, no Default or Event of Default shall have occurred and be continuing, (ii) by its purchase or other acquisition of a Loan, each such Person shall be deemed to have acknowledged and agreed to clauses (e)(i), (ii) and (iii) above mutatis mutandis, (iii) the Term Loans so acquired by Holdings, Borrower or any of its Subsidiaries be immediately cancelled, (iv) proceeds of any Revolving Loans or Incremental Facilities may not be used to acquire such Term Loans and (v) the Assignment and Assumption shall include a representation by such Person to the effect that either (A) such Person does not have any material non-public information (“MNPI”) with respect to Holdings or any of its Subsidiaries or securities that either (x) has not been disclosed to the Term Lenders generally (other than Term Lenders that do not wish to receive MNPI with respect to Holdings or any of its Subsidiaries or securities), or (y) if not disclosed to the Lenders, would reasonably be expected to have a material adverse effect upon, or otherwise be material to, a Lender’s decision to sell Loans to such Person or purchase Loans from such Person, as applicable and each Lender and Borrower agree to execute such documents (including, without limitation, amendments to this Agreement) as shall be necessary to effect the foregoing or (B) such Person cannot represent at such time that it does not possess MNPI that has not been disclosed to the Term Lenders generally (other than Term Lenders that do not wish to receive MNPI with respect to Holdings or any of its Subsidiaries or securities).

(g) The Administrative Agent and its Related Parties shall (i) have no responsibility for tracking or monitoring assignments to or participations by any Affiliated Lender, Holdings, Borrower or its Subsidiaries or Affiliates, (ii) have no responsibility for determining whether or not (A) such person is in possession of any MNPI and (B) such person has disclosed or not disclosed or has a duty to disclose any MNPI and (iii) have the benefit of the indemnification provisions of Section 9.03 in connections with any assignments, participations and purchases made under clauses (e) and (f) of this Section 9.04.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and ARTICLE VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof. Except for any provisions hereof which by their express terms or the terms of this Section 9.05 survive such termination, this Agreement will terminate upon termination of the Commitments and repayment of all outstanding Loan Document Obligations.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in 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. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or the syndication of Loans and Commitments 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 which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by fax, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability . Any provision of any Loan Document 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 thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff . If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Loan Party against any of and all the Secured Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The applicable Lender shall notify the Borrower and the Administrative Agent of such set-off or application, provided that any failure to give or any delay in giving such notice shall not affect the validity of any such set-off or application under this Section . The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process .

(a) The Loan Documents (other than those containing a contrary express choice of law provision) shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of New York.

(b) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any U.S. Federal or New York State court sitting in County of New York, New York, New York in any action or proceeding arising out of or relating to any Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby 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 extent permitted by 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. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, 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 . Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01 . Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL . EACH PARTY HERETO HEREBY 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, 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, OR OTHER AGENT (INCLUDING ANY 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 .

SECTION 9.11. Headings . Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, nor be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality . Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' respective directors, officers, employees and agents, including accountants, legal counsel and other advisors who need to know such Information in connection with the Transactions and who are informed of the confidential nature of such Information and who are subject to customary confidentiality obligations of professional practice or who agree to be bound by the terms of this Section 9.12 (or language substantially similar to this Section 9.12) (with each of the Administrative Agent, the Issuing Bank and the Lenders, to the extent within its control, responsible for such Person's compliance with this Section 9.12), (b) to the extent requested by any regulatory authority having jurisdiction, or purporting to have jurisdiction over, the Administrative Agent, the Issuing bank or the Lenders or any of its Affiliates, provided , to the extent practicable and unless specifically prohibited by applicable law or court order and except with respect to any audit or examination conducted by bank accountants or any regulatory authority exercising routine examination or regulatory authority, each Lender shall promptly notify the Borrower of any request by any regulatory authority or representative thereof for disclosure of any such confidential information prior to disclosure of such confidential information, (c) to the extent required by any Requirement of Law or by any subpoena or similar legal process, provided , to the extent practicable and unless specifically prohibited by applicable law, rule or regulation, the Administrative Agent, Issuing Bank and the Lender, as applicable shall promptly notify the Borrower thereof prior to disclosure thereof, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 9.12 , to (x) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (y) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Loan Parties and their obligations, (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 of this Section 9.12 or (y) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a non-confidential basis from a source other than the Borrower that is not, to the knowledge of such Administrative Agent, Issuing Bank or Lender, subject to contractual obligations owing to the Borrower or any Restricted Subsidiary, Affiliate or related party thereto. For the purposes of this Section

9.12, “Information” means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a non-confidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 9.12 shall be considered to have complied with its obligation to do so 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.

SECTION 9.13. Several Obligations; Non-reliance; Violation of Law . The respective obligations of the Lenders hereunder are several and not joint and the failure of any Lender to make any Loan or perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. Each Lender hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U of the Board) for the repayment of the Borrowings provided for herein. Anything contained in this Agreement to the contrary notwithstanding, neither the Issuing Bank nor any Lender shall be obligated to extend credit to the Borrower in violation of any Requirement of Law.

SECTION 9.14. USA PATRIOT Act . Each Lender that is subject to the requirements of the USA Patriot Act 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 the Borrower, which information includes the name and address of any Loan Party and other information that will allow such Lender to identify a Loan Party accordance with the USA Patriot Act.

SECTION 9.15. Disclosure . Each Loan Party, each Lender and the Issuing Bank hereby acknowledges and agrees that the Administrative Agent and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with, any of the Loan Parties and their respective Affiliates.

SECTION 9.16. Appointment for Perfection . Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of the Administrative Agent and the Secured Parties, in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession. Should any Lender (other than the Administrative Agent) obtain possession of any such Collateral, such Lender shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent’s request therefor shall deliver such Collateral to the Administrative Agent or otherwise deal with such Collateral in accordance with the Administrative Agent’s instructions.

SECTION 9.17. Interest Rate Limitation . Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.18. 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), the Borrower acknowledges and agrees that: (i) (A)

the arranging and other services regarding this Agreement provided by the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Lenders and their Affiliates, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower 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 of the Lenders and their Affiliates 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 or any of its Affiliates, or any other Person and (B) no Lender or any of its Affiliates has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except, in the case of a Lender, those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of 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 and its Affiliates, and no Lender or any of its Affiliates has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against each of the Lenders and their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9.19. Authorization to Distribute Certain Materials to Public-Siders .

(a) None of the Loan Parties currently has any publicly traded securities outstanding (including, but not limited to, 144A Securities, commercial paper notes or American Depositary Receipts); provided that the Borrower agrees that if any of the Parties issues any publicly traded securities at a future date, any of the information in the Loan Documents and the Financial Statements to be furnished pursuant to Section 5.01(a) and Section 5.01(b) , to the extent then material , will be publicly disclosed or set forth in the related prospectus or other offering document for such issuance.

(b) The Borrower hereby authorizes the Administrative Agent to distribute the execution versions of the Loan Documents and Financial Statements to all Lenders, including their Public-Siders who indicate that they would not wish to receive information that would be deemed to be material non-public information within the meaning of the United States federal and state securities laws if the Parties had publicly traded securities outstanding.

(c) If the Borrower issues any 144A Securities during the term of this Agreement and its Financial Statements are not filed with the SEC, the Borrower (i) agrees to deliver to the Administrative Agent, and authorizes the posting by the Administrative Agent to the public-side view site of the Agency Site, the Financial Statements and Supplemental Materials and (ii) represents, warrants and agrees that the Financial Statements and Supplemental Materials will not constitute information that, upon disclosure to Public-Siders, would restrict them or their firms from purchasing or selling any of the 144A Securities under United States federal and state securities laws. The Borrower further agrees to clearly label such Financial Statements and/or Supplemental Materials with a notice stating: “ **Confidential Financial Statements provided to 144A Holders** ” or “ **Confidential Supplemental Materials,** ” as the case may, before delivering them to the Administrative Agent.

(d) The Borrower acknowledges its understanding that Public-Siders and their firms may be trading in any of the Loan Parties' respective securities while in possession of the materials, documents and information distributed to them pursuant to the authorizations made herein.

SECTION 9.20. No Novation . From and after the Effective Date, this Agreement shall be binding on the Borrower, the Guarantors, the Administrative Agent, the Lenders and the other parties hereto, and the Existing Credit Agreement and the provisions thereof shall be amended, restated and replaced in their

entirety by this Agreement and the provisions hereof, subject to the following provisions. This Agreement shall not extinguish the obligations for the payment of money outstanding under the Existing Credit Agreement or discharge or release the Lien or priority of any Collateral Document or any other security therefor. Nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Existing Credit Agreement or instruments securing the same, which shall remain in full force and effect, except to any extent modified hereby or by instruments executed concurrently herewith and except to the extent repaid as provided herein. Nothing implied in this Agreement or in any other document contemplated hereby shall be construed as a release or other discharge of any of the Loan Parties under any Loan Document from any of its obligations and liabilities as Borrower, guarantor or pledgor under any of the Loan Documents.

ARTICLE X

Loan Guaranty

SECTION 10.01. Guaranty . Each Loan Guarantor (other than those that have delivered a separate Guaranty) hereby agrees that it is jointly and severally liable for, and absolutely and unconditionally and irrevocably guarantees to the Secured Parties, the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of the Secured Obligations and all reasonable out-of-pocket costs and expenses including, without limitation, all court costs and reasonable attorneys' and paralegals' fees and expenses paid or incurred by the Administrative Agent, the Issuing Bank and the Lenders in endeavoring to collect all or any part of the Secured Obligations from, or in prosecuting any action against, the Borrower, any Loan Guarantor or any other guarantor of all or any part of the Secured Obligations (such costs and expenses, together with the Secured Obligations, collectively the "Guaranteed Obligations"); except that the Guaranteed Obligations of any Loan Guarantor shall exclude Excluded Swap Obligations with respect to such Loan Guarantor). Each Loan Guarantor further agrees that the Guaranteed Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal. All terms of this Loan Guaranty apply to and may be enforced by or on behalf of any domestic or foreign branch or Affiliate of any Lender that extended any portion of the Guaranteed Obligations.

SECTION 10.02. Guaranty of Payment . This Loan Guaranty is a guaranty of payment and not of collection. Each Loan Guarantor waives any right to require the Administrative Agent, the Issuing Bank or any Lender to sue the Borrower, any Loan Guarantor, any other guarantor, or any other Person obligated for all or any part of the Guaranteed Obligations (each, an "Obligated Party"), or otherwise to enforce its payment against any collateral securing all or any part of the Guaranteed Obligations.

SECTION 10.03. No Discharge or Diminishment of Loan Guaranty .

(a) Except as otherwise provided for herein, the obligations of each Loan Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of the Guaranteed Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Guaranteed Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of the Borrower or any other Obligated Party liable for any of the Guaranteed Obligations; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Obligated Party, or their assets or any resulting release or discharge of any obligation of any Obligated Party; or (iv) the existence of any claim, setoff or other rights which any Loan Guarantor may have at any time against any Obligated Party, the Administrative Agent, the Issuing Bank, any Lender, or any other Person, whether in connection herewith or in any unrelated transactions.

(b) The obligations of each Loan Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or unenforceability of any of the Guaranteed Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Obligated Party, of the Guaranteed Obligations or any part thereof.

(c) Further, the obligations of any Loan Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of the Administrative Agent, the Issuing Bank or any Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Guaranteed Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Guaranteed Obligations; (iii) any release, non-perfection, or invalidity of any indirect or direct security for the obligations of the Borrower for all or any part of the Guaranteed Obligations or any obligations of any other Obligated Party liable for any of the Guaranteed Obligations; (iv) any action or failure to act by the Administrative Agent, the Issuing Bank or any Lender with respect to any collateral securing any part of the Guaranteed Obligations; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Guaranteed Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Loan Guarantor or that would otherwise operate as a discharge of any Loan Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of the Guaranteed Obligations).

SECTION 10.04. Defenses Waived . To the fullest extent permitted by applicable law, each Loan Guarantor hereby waives any defense based on or arising out of any defense of the Borrower or any Loan Guarantor or the unenforceability of all or any part of the Guaranteed Obligations from any cause, or the cessation from any cause of the liability of the Borrower or any Loan Guarantor, other than the indefeasible payment in full in cash of the Guaranteed Obligations. Without limiting the generality of the foregoing, each Loan Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Obligated Party, or any other Person. Each Loan Guarantor confirms that it is not a surety under any state law and shall not raise any such law as a defense to its obligations hereunder. The Administrative Agent may, at its election, foreclose on any Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any collateral securing all or a part of the Guaranteed Obligations, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with any Obligated Party or exercise any other right or remedy available to it against any Obligated Party, without affecting or impairing in any way the liability of such Loan Guarantor under this Loan Guaranty, except to the extent the Guaranteed Obligations have been fully and indefeasibly paid in cash. To the fullest extent permitted by applicable law, each Loan Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Loan Guarantor against any Obligated Party or any security.

SECTION 10.05. Rights of Subrogation . No Loan Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification that it has against any Obligated Party, or any collateral, until the Loan Parties and the Loan Guarantors have fully performed all their obligations to the Administrative Agent, the Issuing Bank and the Lenders.

SECTION 10.06. Reinstatement; Stay of Acceleration . If at any time any payment of any portion of the Guaranteed Obligations is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, or reorganization of the Borrower or otherwise, each Loan Guarantor's obligations under this Loan Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not the Administrative Agent, the Issuing Bank and the Lenders are in possession

of this Loan Guaranty. If acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Guaranteed Obligations shall nonetheless be payable by the Loan Guarantors forthwith on demand by the Administrative Agent.

SECTION 10.07. Information . Each Loan Guarantor assumes all responsibility for being and keeping itself informed of the Borrower'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 each Loan Guarantor assumes and incurs under this Loan Guaranty, and agrees that none of the Administrative Agent, the Issuing Bank nor any Lender shall have any duty to advise any Loan Guarantor of information known to it regarding those circumstances or risks.

SECTION 10.08. Continuing Guaranty . Each Loan Guarantor will continue to be liable to the Lenders for any Guaranteed Obligations and all subsequent renewals, extensions, modifications and amendments with respect to, or substitutions for, all or any part of that Guaranteed Obligations.

SECTION 10.09. Taxes . Each payment of the Guaranteed Obligations will be made by each Loan Guarantor in compliance with the terms of this Agreement (including Sections 2.15 , 2.16 and 2.17).

SECTION 10.10. Maximum Liability .

(a) The provisions of this Loan Guaranty are severable, and in any action or proceeding involving any state corporate law, or any state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Loan Guarantor under this Loan Guaranty would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Loan Guarantor's liability under this Loan Guaranty, then, notwithstanding any other provision of this Loan Guaranty to the contrary, the amount of such liability shall, without any further action by the Loan Guarantors or the Administrative Agent, the Issuing Bank or any Lender, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Loan Guarantor's "Maximum Liability "). This Section with respect to the Maximum Liability of each Loan Guarantor is intended solely to preserve the rights of the Administrative Agent, the Issuing Bank and the Lenders to the maximum extent not subject to avoidance under applicable law, and no Loan Guarantor nor any other Person shall have any right or claim under this Section with respect to such Maximum Liability, except to the extent necessary so that the obligations of any Loan Guarantor hereunder shall not be rendered voidable under applicable law. Each Loan Guarantor agrees that the Guaranteed Obligations may at any time and from time to time exceed the Maximum Liability of each Loan Guarantor without impairing this Loan Guaranty or affecting the rights and remedies of the Administrative Agent, the Issuing Bank or the Lenders hereunder, provided that nothing in this sentence shall be construed to increase any Loan Guarantor's obligations hereunder beyond its Maximum Liability.

(b) 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 other Loan Party to honor all of its obligations under this Loan Guaranty in respect of Loan Guarantor Swap Obligation (provided , however , that each Qualified ECP Guarantor shall only be liable under this Section 10.10(b) , with respect to Loan Guarantor Swap Obligation, for the maximum amount of such liability that can be hereby incurred without rendering its Loan Guarantor Swap Obligation under this Section 10.10(b) , or otherwise under this Loan Guaranty, 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 10.10(b) shall remain in full force and effect until a discharge of Guaranteed Obligations. Each Qualified ECP Guarantor intends that this Section 10.10(b) constitute, and

this Section 10.10(b) shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

SECTION 10.11. Contribution . In the event any Loan Guarantor (a “ Paying Guarantor ”) shall make any payment or payments under this Loan Guaranty or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Loan Guaranty, each other Loan Guarantor (each a “ Non-Paying Guarantor ”) shall contribute to such Paying Guarantor an amount equal to such Non-Paying Guarantor’s “Applicable Contribution Percentage” of such payment or payments made, or losses suffered, by such Paying Guarantor. For purposes of this ARTICLE X , each Non-Paying Guarantor’s “ Applicable Contribution Percentage ” with respect to any such payment or loss by a Paying Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (i) such Non-Paying Guarantor’s Maximum Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Guarantor’s Maximum Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Guarantor from the Borrower after the date hereof (whether by loan, capital infusion or by other means) to (ii) the aggregate Maximum Liability of all Loan Guarantors hereunder (including such Paying Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum Liability has not been determined for any Loan Guarantor, the aggregate amount of all monies received by such Loan Guarantors from the Borrower after the date hereof (whether by loan, capital infusion or by other means). Nothing in this provision shall affect any Loan Guarantor’s several liability for the entire amount of the Guaranteed Obligations (up to such Loan Guarantor’s Maximum Liability). Each of the Loan Guarantors covenants and agrees that its right to receive any contribution under this Loan Guaranty from a Non-Paying Guarantor shall be subordinate and junior in right of payment to the payment in full in cash of the Guaranteed Obligations. This provision is for the benefit of all of the Administrative Agent, the Issuing Bank, the Lenders and the Loan Guarantors and may be enforced by any one, or more, or all of them in accordance with the terms hereof.

SECTION 10.12. Liability Cumulative . The liability of each Loan Party as a Loan Guarantor under this ARTICLE X is in addition to and shall be cumulative with all liabilities of each Loan Party to the Administrative Agent, the Issuing Bank and the Lenders under this Agreement and the other Loan Documents to which such Loan Party is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

[*Signature Pages Follow*]

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.

PLANET FITNESS HOLDINGS, LLC,
the Borrower

By: _____
Name: _____
Title: _____

PLANET INTERMEDIATE, LLC,
Holdings and a Loan Guarantor

By: _____
Name: _____
Title: _____

PLA-FIT HEALTH, L.L.C.,
a Loan Guarantor

By: _____
Name: _____
Title: _____

PLA-FIT FRANCHISE, LLC,
a Loan Guarantor

By: _____
Name: _____
Title: _____

PLANET FITNESS EQUIPMENT, LLC,
a Loan Guarantor

By: _____
Name: _____
Title: _____

PFIP, LLC,
a Loan Guarantor

By: _____
Name: _____
Title: _____

[*Signature Page to Amended and Restated Credit Agreement*]

JFZ, LLC,
a Loan Guarantor

By: _____
Name: _____
Title: _____

PF DERRY, LLC,
a Loan Guarantor

By: _____
Name: _____
Title: _____

PIZZAZZ LLC,
a Loan Guarantor

By: _____
Name: _____
Title: _____

PIZZAZZ II LLC,
a Loan Guarantor

By: _____
Name: _____
Title: _____

PFPA, LLC,
a Loan Guarantor

By: _____
Name: _____
Title: _____

PF ERIE LLC,
a Loan Guarantor

By: _____
Name: _____
Title: _____

[*Signature Page to Amended and Restated Credit Agreement*]

PF GREENSBURG, LLC,

a Loan Guarantor

By: _____
Name: _____
Title: _____

PLA-FIT WARMINSTER, LLC,

a Loan Guarantor

By: _____
Name: _____
Title: _____

PFCA, LLC,

a Loan Guarantor

By: _____
Name: _____
Title: _____

PF VALLEJO, LLC,

a Loan Guarantor

By: _____
Name: _____
Title: _____

PLA-FIT HEALTH NJNY, LLC,

a Loan Guarantor

By: _____
Name: _____
Title: _____

LONG ISLAND FITNESS GROUP, LLC,

a Loan Guarantor

By: _____
Name: _____
Title: _____

[*Signature Page to Amended and Restated Credit Agreement*]

BAYSHORE FITNESS GROUP, LLC,
a Loan Guarantor

By: _____
Name: _____
Title: _____

MELVILLE FITNESS GROUP, LLC,
a Loan Guarantor

By: _____
Name: _____
Title: _____

CARLE PLACE FITNESS GROUP, LLC,
a Loan Guarantor

By: _____
Name: _____
Title: _____

LEVITTOWN FITNESS GROUP, LLC,
a Loan Guarantor

By: _____
Name: _____
Title: _____

1040 SOUTH BROADWAY FITNESS GROUP,
LLC,a Loan Guarantor

By: _____
Name: _____
Title: _____

BAYONNE FITNESS GROUP, LLC,
a Loan Guarantor

By: _____
Name: _____
Title: _____

[*Signature Page to Amended and Restated Credit Agreement*]

EDISON FITNESS GROUP, LLC,

a Loan Guarantor

By: _____
Name: _____
Title: _____

**601 WASHINGTON STREET FITNESS GROUP
LLC,**

a Loan Guarantor

By: _____
Name: _____
Title: _____

PEEKSKILL FITNESS GROUP, LLC,

a Loan Guarantor

By: _____
Name: _____
Title: _____

PLA-FIT COLORADO, LLC,

a Loan Guarantor

By: _____
Name: _____
Title: _____

[*Signature Page to Amended and Restated Credit Agreement*]

JPMORGAN CHASE BANK, N.A.,

individually, and as Administrative Agent, Swingline Lender and Issuing Bank

By: _____

Name: _____

Title: _____

[*Signature Page to Amended and Restated Credit Agreement*]

JPMORGAN CHASE BANK, N.A.,

as a Lender

By: _____

Name: _____

Title: _____

[*Signature Page to Amended and Restated Credit Agreement*]

TD BANK, N.A.,
as a Lender

By: _____
Name: _____
Title: _____

[*Signature Page to Amended and Restated Credit Agreement*]

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: _____
Name: _____
Title: _____

[*Signature Page to Amended and Restated Credit Agreement*]

BANK OF MONTREAL,

as a Lender

By: _____

Name: _____

Title: _____

[*Signature Page to Amended and Restated Credit Agreement*]

**SECURITY BENEFIT LIFE INSURANCE
COMPANY,**
as a Lender

By: _____
Name: _____
Title: _____

[*Signature Page to Amended and Restated Credit Agreement*]

JEFFERIES FINANCE LLC,

as a Lender

By: _____

Name: _____

Title: _____

[*Signature Page to Amended and Restated Credit Agreement*]

COMMITMENT SCHEDULE

Lender	Revolving Commitment	Term Commitment	Total
J.P. MORGAN CHASE BANK, N.A.	\$ 12,000,000	\$ 323,142,857.14	\$ 335,142,857.14
TD BANK, N.A	\$ 12,000,000	\$ 0	\$ 12,000,000
U.S. BANK NATIONAL ASSOCIATION	\$ 7,500,000	\$ 0	\$ 7,500,000
BANK OF MONTREAL	\$ 4,000,000	\$ 0	\$ 4,000,000
SECURITY BENEFIT LIFE INSURANCE COMPANY	\$ 2,250,000	\$ 0	\$ 2,250,000
JEFFERIES FINANCE LLC	\$ 2,250,000	\$ 66,857,142.86	\$ 69,107,142.86
Total	\$ 40,000,000.00	\$ 390,000,000.00	\$ 430,000,000.00

Acknowledgment and Agreement

Each Loan Guarantor listed below hereby acknowledges that it has reviewed Amendment No. 1 to the Amended and Restated Credit Agreement dated as of March 31, 2015 to which this Acknowledgment and Agreement is attached as an exhibit (the “First Amendment”) and hereby consents to the execution, delivery and performance thereof by the Borrower and Holdings. Each Loan Guarantor hereby confirms its obligation under each Loan Document to which it is a party and agrees that, after giving effect to the First Amendment, neither the modification of the Credit Agreement or any other Loan Document effected pursuant to the First Amendment, nor the execution, delivery, performance or effectiveness of the First Amendment or any other Loan Document impairs the validity or effectiveness of any Loan Document to which it is a party or impairs the validity, effectiveness or priority of the Liens granted pursuant to any other Loan Document to which it is a party or by which it is otherwise bound. Each Loan Guarantor hereby confirms that the Additional Term Loans borrowed pursuant to the First Amendment constitute Obligations under the Loan Documents and “Guaranteed Obligations” for purposes of Section 10.01 of the Credit Agreement.

[Signature Pages Follow]

PLA-FIT HEALTH, L.L.C. , as a Loan Guarantor
PLA-FIT FRANCHISE, LLC , as a Loan Guarantor
PLANET FITNESS EQUIPMENT, LLC , as a Loan Guarantor
PFIP, LLC , as a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Chief Executive Officer

JFZ, LLC , as a Loan Guarantor
PF DERRY, LLC , as a Loan Guarantor
PIZZAZZ, LLC , as a Loan Guarantor
PIZZAZZ II, LLC , as a Loan Guarantor
PFPA, LLC , as a Loan Guarantor
PF ERIE LLC , as a Loan Guarantor
PF GREENSBURG, LLC , as a Loan Guarantor
PLA-FIT WARMINSTER, LLC , as a Loan Guarantor
PFCA, LLC , as a Loan Guarantor
PF VALLEJO, LLC , as a Loan Guarantor
PLA-FIT HEALTH NJNY, LLC , as a Loan Guarantor
LONG ISLAND FITNESS GROUP, LLC , as a Loan Guarantor
BAYSHORE FITNESS GROUP, LLC , as a Loan Guarantor
MELVILLE FITNESS GROUP, LLC , as a Loan Guarantor
CARLE PLACE FITNESS GROUP, LLC , as a Loan Guarantor
LEVITTOWN FITNESS GROUP, LLC , as a Loan Guarantor
1040 SOUTH BROADWAY FITNESS GROUP, LLC , as a Loan Guarantor
BAYONNE FITNESS GROUP, LLC , as a Loan Guarantor
EDISON FITNESS GROUP, LLC , as a Loan Guarantor
601 WASHINGTON STREET FITNESS GROUP, LLC , as a Loan Guarantor
PEEKSKILL FITNESS GROUP, LLC , as a Loan Guarantor
PLA-FIT COLORADO, LLC , as a Loan Guarantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

</

AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

THIS AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT (as it may be amended or modified from time to time, the “Security Agreement”) is entered into as of March 31, 2014 by and between Planet Intermediate, LLC, a Delaware limited liability company (“Holdings”), Planet Fitness Holdings, LLC, a New Hampshire limited liability company (the “Borrower”), and the Subsidiaries of the Borrower from time to time party hereto (together with Holdings and the Borrower, each individually a “Grantor” and collectively, the “Grantors”), and JPMorgan Chase Bank, N.A., in its capacity as administrative agent (the “Administrative Agent”) for the lenders party to the Credit Agreement referred to below.

PRELIMINARY STATEMENT

The Borrower, the other Grantors as Loan Guarantors, the Lenders and the Administrative Agent are entering into an Amended and Restated Credit Agreement dated as of the date hereof (as it may be amended or modified from time to time, the “Credit Agreement”). The Grantors are entering into this Security Agreement in order to induce the Lenders to enter into and extend credit to the Borrower under the Credit Agreement and to secure the Secured Obligations that it has agreed to guarantee pursuant to Article X of the Credit Agreement.

ACCORDINGLY, the Grantors and the Administrative Agent, on behalf of itself and the other Secured Parties, hereby agree as follows:

**ARTICLE I
DEFINITIONS**

1.1. Terms Defined in Credit Agreement . All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement.

1.2. Terms Defined in UCC . Terms defined in the UCC which are not otherwise defined in this Security Agreement are used herein as defined in the UCC.

1.3. Definitions of Certain Terms Used Herein . As used in this Security Agreement, in addition to the terms defined in the first paragraph hereof and in the Preliminary Statement, the following terms shall have the following meanings:

“Accounts” shall have the meaning set forth in Article 9 of the UCC.

“Article” means a numbered article of this Security Agreement, unless another document is specifically referenced.

“Chattel Paper” shall have the meaning set forth in Article 9 of the UCC.

“Closing Date” means the date of the Credit Agreement.

“Collateral” shall have the meaning set forth in Article II.

“Collateral Access Agreement” means any landlord waiver or other agreement, in form and substance reasonably satisfactory to the Administrative Agent, between the Administrative Agent and any third party (including any bailee, consignee, customs broker, or other similar Person) in possession of any Collateral or any landlord of any real property where any Collateral is located, as such landlord waiver or other agreement may be amended, restated, or otherwise modified from time to time.

“ Commercial Tort Claims ” means the existing commercial tort claims of the Grantor listed on Exhibit I .

“ Control ” shall have the meaning set forth in Article 8 or, if applicable, in Section 9-104, 9-105, 9-106 or 9-107 of Article 9 of the UCC.

“ Copyrights ” means, with respect to any Person, all of such Person’s right, title, and interest in and to the following: (a) all copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations, and copyright applications; (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, without limitation, 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.

“ Default ” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“ Deposit Account Control Agreement ” means an agreement, in form and substance reasonably satisfactory to the Administrative Agent, among any Loan Party, a banking institution holding such Loan Party’s funds, and the Administrative Agent with respect to collection and control of all deposits and balances held in a deposit account maintained by such Loan Party with such banking institution.

“ Deposit Accounts ” shall have the meaning set forth in Article 9 of the UCC.

“ Documents ” shall have the meaning set forth in Article 9 of the UCC.

“ Equipment ” shall have the meaning set forth in Article 9 of the UCC.

“ Excluded Accounts ” shall mean any payroll, trust and tax withholding accounts used exclusively for such purposes and so long as no other funds are comingled in such payroll, trust and tax withholding accounts.

“ Excluded Property ” shall mean (a) any fee-owned real property with a fair market value of less than \$1,000,000; (b) motor vehicles subject to certificates of title; (c) letter of credit rights with a value of less than \$500,000 (other than letter of credit rights that can be perfected by filing a UCC financing statement); (d) commercial tort claims with a value of less than \$500,000; (e) pledges and security interests prohibited by applicable law, rule or regulation (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 applicable law notwithstanding such prohibition); (f) those assets as to which the Administrative Agent and the Borrower reasonably agree that the cost of obtaining such a security interest or perfection thereof is excessive in relation to the benefit to the Lenders of the security to be afforded thereby (other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under applicable law notwithstanding such prohibition); (g) those assets as to which a pledge and security interest would result in material adverse tax consequences as determined by the Borrower in good faith; (h) Excluded Accounts, (i) any leasehold properties, (j) any contract or lease, license or other agreement or any property subject to a purchase money security interest, capital lease obligation or other contract or arrangement, in each case, to the extent permitted under the Credit Agreement to the extent that a grant of a security interest therein would

violate or invalidate such lease, license or agreement, purchase money, capital lease or other contract or arrangement or create a right of termination in favor of any other party thereto (other than the Borrower or a Guarantor) (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 applicable law notwithstanding such prohibition); or (j) any “intent to use” Trademark applications for which a statement of use has not been filed.

“ Exhibit ” refers to a specific exhibit to this Security Agreement, unless another document is specifically referenced.

“ Fixtures ” shall have the meaning set forth in Article 9 of the UCC.

“ General Intangibles ” shall have the meaning set forth in Article 9 of the UCC.

“ Goods ” shall have the meaning set forth in Article 9 of the UCC.

“ Instruments ” shall have the meaning set forth in Article 9 of the UCC.

“ Inventory ” shall have the meaning set forth in Article 9 of the UCC.

“ Investment Property ” shall have the meaning set forth in Article 9 of the UCC.

“ Lenders ” means the lenders party to the Credit Agreement and their successors and assigns.

“ Letter-of-Credit Rights ” shall have the meaning set forth in Article 9 of the UCC.

“ Licenses ” means, with respect to any Person, all of such Person’s right, title, and interest in and to (a) any and all licensing agreements or similar arrangements in and to its Patents, Copyrights, or Trademarks, (b) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future breaches thereof, and (c) all rights to sue for past, present, and future breaches thereof.

“ Patents ” means, with respect to any Person, all of such Person’s right, title, and interest in and to: (a) any and all patents and patent applications; (b) all inventions and improvements described and 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, without limitation, 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 II , completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by a responsible officer of the Borrower as may be amended or supplemented from time to time

“ Pledged Collateral ” means all Instruments, Securities and other Investment Property of the Grantor, whether or not physically delivered to the Administrative Agent pursuant to this Security Agreement.

“ Receivables ” means the Accounts, Chattel Paper, Documents, Investment Property, Instruments and any other rights or claims to receive money which are General Intangibles or which are otherwise included as Collateral.

“ Section ” means a numbered section of this Security Agreement, unless another document is specifically referenced.

“ Secured Parties ” shall have the meaning set forth in the Credit Agreement.

“ Security ” shall have the meaning set forth in Article 8 of the UCC.

“ Stock Rights ” means all dividends, instruments or other distributions and any other right or property which the 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 and any right to receive earnings, in which the Grantor now has or hereafter acquires any right, issued by an issuer of such Equity Interest.

“ Supporting Obligations ” shall have the meaning set forth in Article 9 of the UCC.

“ Trademarks ” means, with respect to any Person, all of such Person’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, without limitation, damages, claims, and payments for past and future infringements thereof; (d) all rights to sue for past, present, and future infringements of the foregoing, including the right to settle suits involving claims and demands for royalties owing; 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, of the State of New York or of any other state the laws of which are required as a result thereof to be applied in connection with the attachment, perfection or priority of, or remedies with respect to, Administrative Agent’s or any Lender’s Lien on any Collateral.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

ARTICLE II GRANT OF SECURITY INTEREST

Each Grantor hereby pledges, assigns and grants to the Administrative Agent, on behalf of and for the ratable benefit of the Secured Parties, a security interest in all of its right, title and interest in, to and under all personal property and other assets, whether now owned by or owing to, or hereafter acquired by or arising in favor of the Grantor (including under any trade name or derivations thereof), and whether owned or consigned by or to, or leased from or to, such Grantor, and regardless of where located (all of which will be collectively referred to as the “ Collateral ”), including:

- (i) all Accounts;
- (ii) all Chattel Paper;
- (iii) all Copyrights, Patents and Trademarks;
- (iv) all Documents;
- (v) all Equipment;

-
- (vi) all Fixtures;
 - (vii) all General Intangibles;
 - (viii) all Goods;
 - (ix) all Instruments;
 - (x) all Inventory;
 - (xi) all Investment Property;
 - (xii) all cash or cash equivalents;
 - (xiii) all letters of credit, Letter-of-Credit Rights and Supporting Obligations;
 - (xiv) all Deposit Accounts with any bank or other financial institution;
 - (xv) all Commercial Tort Claims; and
 - (xvi) all accessions to, substitutions for and replacements, proceeds (including Stock Rights), insurance proceeds and products of the foregoing, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto and any General Intangibles at any time evidencing or relating to any of the foregoing;

to secure the prompt and complete payment and performance of the Secured Obligations.

Notwithstanding anything to the contrary contained in clauses (i) through (xii) above, (x) the security interest created by this Agreement shall not extend to, and the term “Collateral” shall not include, any Excluded Property and (y) not more than 65% of the issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and 100% of the issued and outstanding Equity Interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) in each first-tier foreign Subsidiary or Disregarded Domestic Subsidiary directly owned by the Borrower or by any domestic Subsidiary other than any Disregarded Domestic Subsidiary) shall be required to be pledged.

ARTICLE III REPRESENTATIONS AND WARRANTIES

The Grantors represent and warrant to the Administrative Agent and the Secured Parties that:

3.1. Title, Perfection and Priority . When financing statements have been filed in the appropriate offices against the Grantor in the locations listed on Schedule 1(c) of the Perfection Certificate, the Administrative Agent will have a fully perfected first priority security interest in that Collateral in which a security interest may be perfected by filing, subject only to Liens permitted under the Credit Agreement.

3.2. Type and Jurisdiction of Organization, Organizational and Identification Numbers . The type of entity of each Grantor, its state of organization, the organizational number issued to it by its state of organization and its federal employer identification number, if any, are set forth in Schedule 1(c) of the Perfection Certificate.

3.3. Principal Location . Each Grantor's mailing address, which shall be its address for notices and other communications provided for herein and the location of its place of business (if it has only one) or its chief executive office (if it has more than one place of business), is disclosed in Schedule 2(a) of the Perfection Certificate; no Grantor has any other places of business except those set forth in Schedule 2(c) of the Perfection Certificate.

3.4. Collateral Locations . All of Grantors' locations where Collateral having value in excess of \$500,000 is located are listed on Schedule 2(d) of the Perfection Certificate. All of said locations are owned by the applicable Grantor except for locations (i) which are leased by such Grantor as lessee and designated in Schedule 2(e) of the Perfection Certificate and (ii) at which Inventory is held in a public warehouse or is otherwise held by a bailee or on consignment as designated in Schedule 2(f) of the Perfection Certificate.

3.5. Deposit Accounts . Each Grantor's Deposit Accounts are listed on Schedule 8 of the Perfection Certificate.

3.6. Exact Names . Each Grantor's name in which it has executed this Security Agreement is the exact name as it appears in such Grantor's organizational documents, as amended, as filed with the applicable Grantor's jurisdiction of organization. Except as set forth on Schedule 1(b) of the Perfection Certificate, no Grantor has, during the past five years, been known by or used any other corporate or fictitious name, or been a party to any merger or consolidation, or been a party to any acquisition.

3.7. Letter-of-Credit Rights and Chattel Paper . Schedule 12 of the Perfection Certificate lists all Letter-of-Credit Rights in excess of \$500,000 and Schedule 11 of the Perfection Certificate lists all Chattel Paper in excess of \$100,000 individually or \$500,000 in the aggregate for each Grantor. All action by each Grantor reasonably necessary or desirable to protect and perfect the Administrative Agent's Lien on each item listed on Schedule 12 and Schedule 11 of the Perfection Certificate (including the delivery of all originals and the placement of a legend on all Chattel Paper as required hereunder) has been duly taken. The Administrative Agent will have a fully perfected first priority security interest in the Collateral listed on Schedule 12 and Schedule 11 of the Perfection Certificate, subject only to Liens permitted under the Credit Agreement.

3.8. Inventory . With respect to any Inventory having value in excess of \$500,000, (a) such Inventory (other than Inventory in transit) is located at one of the Grantors' locations set forth on Schedule 1(d) of the Perfection Certificate, (b) no Inventory (other than Inventory in transit) is now, or shall at any time or times hereafter be stored at any other location except as permitted by Section 4.1(g) , (c) the applicable Grantor has good and merchantable title to such Inventory and such Inventory is not subject to any Lien or security interest or document whatsoever except for the security interest granted to the Administrative Agent hereunder, for the benefit of the Administrative Agent and Secured Parties, and Permitted Encumbrances, (d) [reserved], and (e) such Inventory is not subject to any licensing, patent, royalty, trademark, trade name or copyright agreements with any third parties which would require any consent of any third party upon sale or disposition of that Inventory or the payment of any monies to any third party upon such sale or other disposition.

3.9. Intellectual Property . No Grantor has any interest in, or title to, any Patent, Trademark or Copyright except as set forth on Schedule 4 of the Perfection Certificate. This Security Agreement is effective to create a valid and continuing Lien and, upon filing of appropriate financing statements in the offices listed on Schedule 2(c) of the Perfection Certificate and this Security Agreement with the United States Copyright Office and the United States Patent and Trademark Office, fully perfected first priority security interests in favor of the Administrative Agent on the applicable Grantor's Patents, Trademarks and Copyrights, such perfected security interests are enforceable as such as against any and all creditors of and purchasers from the Grantors; and all action reasonably necessary or desirable to protect and perfect the Administrative Agent's Lien on the Grantors' Patents, Trademarks or Copyrights shall have been duly taken.

3.10. Filing Requirements . None of the Collateral is of a type for which security interests or liens may be perfected by filing under any federal statute except for (a) the vehicles described in Schedule 7 of the Perfection Certificate and (b) Patents, Trademarks and Copyrights held by the Grantors and described in Schedule 4 of the Perfection Certificate.

3.11. No Financing Statements, Security Agreements . No financing statement or security agreement describing all or any portion of the Collateral which has not lapsed or been terminated naming any Grantor as debtor has been filed or is of record in any jurisdiction except for financing statements or security agreements (a) naming the Administrative Agent on behalf of the Secured Parties as the secured party and (b) in respect to other Liens permitted under Section 6.02 of the Credit Agreement.

3.12. Pledged Collateral .

(a) Schedule 5 of the Perfection Certificate sets forth a complete and accurate list of all of the Pledged Collateral. Each Grantor is the direct, sole beneficial owner and sole holder of record of the Pledged Collateral listed on Schedule 5 of the Perfection Certificate as being owned by it, free and clear of any Liens, except for the security interest granted to the Administrative Agent for the benefit of the Secured Parties hereunder and Permitted Encumbrances. The Grantors further represents and warrants that (i) all Pledged Collateral constituting an Equity Interest has been (to the extent such concepts are relevant with respect to such Pledged Collateral) duly authorized, validly issued, are fully paid and non-assessable, (ii) with respect to any certificates delivered to the Administrative Agent representing an Equity Interest, 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, the Grantors have so informed the Administrative Agent so that the Administrative Agent may take steps to perfect its security interest therein as a General Intangible, (iii) all Pledged Collateral held by a securities intermediary is covered by a control agreement among the applicable Grantors, the securities intermediary and the Administrative Agent pursuant to which the Administrative Agent has Control and (iv) all Pledged Collateral which represents Indebtedness owed to the Grantors 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 and such issuer is not in default thereunder.

(b) In addition, (i) none of the Pledged Collateral has been issued or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such issuance or transfer may be subject, (ii) no options, warrants, calls or commitments of any character whatsoever (A) exist relating to the Pledged Collateral or (B) obligate the issuer of any Equity Interest included in the Pledged Collateral to issue additional Equity Interests, and (iii) no consent, approval, authorization, or other action by, and no giving of notice, filing with, any governmental authority or any other Person is required for the pledge by the Grantors of the Pledged Collateral pursuant to this Security Agreement or for the execution, delivery and performance of this Security Agreement by the Grantors, or for the exercise by the Administrative Agent of the voting or other rights provided for in this Security Agreement or for the remedies in respect of the Pledged Collateral pursuant to this Security Agreement, except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally.

(c) Except as set forth in Schedule 5 of the Perfection Certificate, the Grantor owns 100% of the issued and outstanding Equity Interests which constitute Pledged Collateral and none of the Pledged Collateral which represents Indebtedness owed to a Grantor is subordinated in right of payment to other Indebtedness or subject to the terms of an indenture.

ARTICLE IV COVENANTS

From the date of this Security Agreement, and thereafter until this Security Agreement is terminated, the Grantors agree that:

4.1. General .

(a) Authorization to File Financing Statements; Ratification . The Grantors hereby authorize the Administrative Agent to file, and if requested will deliver to the Administrative Agent, all financing statements and other documents and take such other actions as may from time to time be reasonably requested by the Administrative Agent in order to maintain a first priority security interest in and, if applicable, Control of, the Collateral. Any financing statement filed by the Administrative Agent may be filed in any filing office in any UCC jurisdiction and may (i) indicate the Collateral (1) as all assets of the applicable Grantor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC of such jurisdiction, or (2) by any other description which reasonably approximates the description contained in this Security Agreement, 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 (A) whether the applicable 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 or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. The Grantors also agree to furnish any such information described in the foregoing sentence to the Administrative Agent promptly upon request.

(b) Further Assurances . The Grantors will, if so requested by the Administrative Agent, furnish to the Administrative Agent, as often as the Administrative Agent requests, statements and schedules further identifying and describing the Collateral and such other reports and information in connection with the Collateral as the Administrative Agent may reasonably request, all in such detail as the Administrative Agent may specify. The Grantors also agree to take any and all actions reasonably necessary to defend title to the Collateral against all persons and to defend the security interest of the Administrative Agent in the Collateral and the priority thereof against any Lien not expressly permitted hereunder.

(c) Disposition of Collateral . The Grantors will not sell, lease or otherwise dispose of the Collateral except for dispositions specifically permitted pursuant to Section 6.05 of the Credit Agreement.

(d) Liens . The Grantors will not create, incur, or suffer to exist any Lien on the Collateral except (i) the security interest created by this Security Agreement, and (ii) other Liens permitted under Section 6.02 of the Credit Agreement.

(e) Other Financing Statements . The Grantors will not authorize the filing of any financing statement naming it as debtor covering all or any portion of the Collateral, except for financing statements (i) naming the Administrative Agent on behalf of the Secured Parties as the secured party, and (ii) in respect to other Liens permitted under Section 6.02 of the Credit Agreement. The Grantors acknowledge that they are not authorized to file any financing statement or amendment or termination statement with respect to any financing statement without the prior written consent of the Administrative Agent, subject to the Grantors' rights under Section 9-509(d)(2) of the UCC.

(f) Locations . Each Grantor will not (i) maintain any Inventory at any location other than those locations listed on Schedule 1(c) of the Perfection Certificate or disclosed to Administrative Agent pursuant to clause (ii) of this Section, (ii) otherwise change, or add to, such locations without the Administrative Agent's prior written consent as required by the Credit Agreement (and if the Administrative Agent gives such consent, such Grantor will concurrently therewith obtain a Collateral Access Agreement for each such location to the extent required by the Credit Agreement), or (iii) change its principal place of business or chief executive office from the location identified on Schedule 1(c) of the Perfection Certificate, other than as permitted by the Credit Agreement.

(g) Together with the delivery of financial statements pursuant to Sections 5.01(a) and 5.01(b) of the Credit Agreement, the Borrower shall deliver to the Administrative Agent a certificate executed by a responsible officer of the Borrower (i) setting forth the information required pursuant to the Perfection Certificate or confirming that there has been no change in such information since the date of the Perfection Certificate delivered on the Effective Date or the date of the most recent certificate delivered pursuant to this Section and (ii) identifying any Subsidiary of the Borrower that has ceased to be, an Immaterial Subsidiary during the most recently ended fiscal quarter.

4.2. Receivables .

(a) Certain Agreements on Receivables. Other than in the ordinary course of business, no Grantor will make or agree to make any discount, credit, rebate or other reduction in the original amount owing on a Receivable or accept in satisfaction of a Receivable less than the original amount thereof, except that, prior to the occurrence of an Event of Default, a Grantor may reduce the amount of Accounts arising from the sale of Inventory in the ordinary course of business.

(b) Electronic Chattel Paper . The Grantors shall take all steps reasonably necessary to grant the Administrative Agent Control of all electronic chattel paper in excess of \$100,000 individually or \$500,000 in the aggregate for each Grantor in accordance with the UCC and all "transferable records" as defined in each of the Uniform Electronic Transactions Act and the Electronic Signatures in Global and National Commerce Act.

4.3. Inventory and Equipment . No Equity Interest which is included within the Collateral shall at any time constitute a Security and no issuer of any such Equity Interest shall take any action to have such interests treated as a Security unless (i) all certificates or other documents constituting such Security have been delivered to the Administrative Agent and such Security is properly defined as such under Article 8 of the UCC of the applicable jurisdiction, whether as a result of actions by the issuer thereof or otherwise, or (ii) the Administrative Agent has entered into a control agreement with the issuer of such Security or with a securities intermediary relating to such Security and such Security is defined as such under Article 8 of the UCC of the applicable jurisdiction, whether as a result of actions by the issuer thereof or otherwise.

4.4. Delivery of Instruments, Securities, Chattel Paper and Documents . The Grantors will (a) deliver to the Administrative Agent immediately upon execution of this Security Agreement the originals of all Chattel Paper, Securities and Instruments constituting Collateral (if any then exist) and (b) hold in trust for the Administrative Agent upon receipt and deliver to the Administrative Agent, in the case of the equity interests of any Grantor, promptly thereafter and in the case of any other Chattel Paper, Securities and Instruments constituting Collateral, within 30 days thereafter.

4.5. Uncertificated Pledged Collateral . The Grantors will permit, from time to time, upon the Administrative Agent's reasonable request, to cause the appropriate issuers (and, if held with a securities intermediary, such securities intermediary) of uncertificated securities or other types of Pledged Collateral not represented by certificates to mark their books and records with the numbers and face amounts of all such uncertificated securities or other types of Pledged Collateral not represented by certificates and all rollovers and replacements therefor to reflect the Lien of the Administrative Agent granted pursuant to this Security Agreement. The Grantors will take any actions reasonably necessary to cause (a) the issuers of uncertificated securities which are Pledged Collateral and (b) any securities intermediary which is the holder of any Pledged Collateral, to cause the Administrative Agent to have and retain Control over such Pledged Collateral. Without limiting the foregoing, the Grantors will, with respect to Pledged Collateral held with a securities intermediary, cause such securities intermediary to enter into a control agreement with the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent, giving the Administrative Agent Control.

4.6. Pledged Collateral .

(a) Exercise of Rights in Pledged Collateral .

(i) Without in any way limiting the foregoing and subject to clause (ii) below, the Grantors shall have the right to exercise all voting rights or other rights relating to the Pledged Collateral for all purposes not inconsistent with this Security Agreement, the Credit Agreement or any other Loan Document; *provided however, that* such rights and powers shall not be exercised in any manner that could adversely affect the rights inuring to a holder of any Pledged Collateral or the rights and remedies of any of the Administrative Agent or the other Secured Parties under this Agreement or any other Loan Document or the ability of the Secured Parties to exercise the same.

(ii) The Grantors will permit the Administrative Agent or its nominee at any time after the occurrence of and during the continuation of an Event of Default, without notice, to exercise all voting rights or other rights relating to the Pledged Collateral, including, without limitation, 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.

(iii) The Grantors shall be entitled to collect and receive for their own use all cash dividends and interest paid in respect of the Pledged Collateral to the extent not in violation of the Credit Agreement other than any of the following distributions and payments (collectively referred to as the "Excluded Payments"): (A) dividends and interest paid or payable other than in cash in respect of any Pledged Collateral, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral; (B) dividends and other distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation not permitted under the Credit Agreement or dissolution or in connection with a reduction of capital, capital surplus or paid-in capital of an issuer; and (C) cash paid, payable or otherwise distributed, in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral; *provided however, that* until actually paid, all rights to such distributions shall remain subject to the Lien created by this Security Agreement; and

(iv) All Excluded Payments and all other distributions in respect of any Pledged Collateral, whenever paid or made, shall be delivered to the Administrative Agent to hold as Pledged Collateral and shall, if received by a Grantor, be received in trust for the benefit of the Administrative Agent, be segregated from the other property or funds of the applicable Grantor, and be forthwith delivered to the Administrative Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

4.7. Intellectual Property .

(a) Each Grantor will use commercially reasonable efforts to secure all consents and approvals necessary or appropriate for the assignment to or benefit of the Administrative Agent of any material License held by such Grantor and to enforce the security interests granted hereunder.

(b) The Grantors shall notify the Administrative Agent promptly upon becoming aware that any application or registration relating to any Patent, Trademark or Copyright (now or hereafter existing) that is material to the business of the Company may become abandoned, or of any adverse determination (including the institution of, or any such determination, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding a Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same; provided however, that the foregoing will not require Grantors to notify the Administrative Agent of any determination to abandon any Patent, Trademark or Copyright (now or hereafter existing) that the management of the Company determines is not material to the business of the Company.

(c) Except as listed on Schedule 4 to the Perfection Certificate, in no event shall the Grantors, either directly or through any agent, employee, licensee or designee, file an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency without giving the Administrative Agent prompt written notice thereof, and, upon request of the Administrative Agent, the Grantors shall execute and deliver any and all security agreements as the Administrative Agent may reasonably request to evidence the Administrative Agent's first priority security interest on such Patent, Trademark or Copyright, and the General Intangibles of the Grantors relating thereto or represented thereby.

4.8 Commercial Tort Claims . The Grantors shall promptly, and in any event within two Business Days after the same is acquired by it, notify the Administrative Agent of any commercial tort claim that exceeds \$500,000 in amount (as defined in the UCC) acquired by it and, unless the Administrative Agent otherwise consents, the Grantors shall enter into an amendment to this Security Agreement, in the form of Exhibit I hereto, granting to Administrative Agent a first priority security interest in such commercial tort claim.

4.9. Letter-of-Credit Rights . If a Grantor is or becomes the beneficiary of a letter of credit that exceeds \$100,000 individually or \$500,000 in the aggregate for each Grantor, such Grantor shall promptly, and in any event within five Business Days after becoming a beneficiary, notify the Administrative Agent thereof and cause the issuer and/or confirmation bank to (i) consent to the assignment of any Letter-of-Credit Rights to the Administrative Agent and (ii) agree to direct all payments thereunder to a Deposit Account at the Administrative Agent or subject to a Deposit Account Control Agreement for application to the Secured Obligations, in accordance with Section 2.18 of the Credit Agreement, all in form and substance reasonably satisfactory to the Administrative Agent.

4.10. Federal, State or Municipal Claims . The Grantors will promptly notify the Administrative Agent of any Collateral which constitutes a claim against the United States government or any state or local government or any instrumentality or agency thereof, the assignment of which claim is restricted by federal, state or municipal law.

4.11. No Interference . The Grantors agree that they will not interfere with any right, power and remedy of the Administrative Agent provided for in this Security Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by the Administrative Agent of any one or more of such rights, powers or remedies.

4.12. Insurance . (a) In the event any owned real property in excess of \$1,000,000 is located in any area that has been designated by the Federal Emergency Management Agency as a “Special Flood Hazard Area”, the Grantors shall purchase and maintain flood insurance on such Collateral (including any personal property which is located on any real property leased by such Loan Party within a “Special Flood Hazard Area”). The amount of flood insurance required by this Section shall be in an amount equal to the lesser of the total commitment or the total replacement cost value of the improvements.

(b) All insurance policies required hereunder and under Section 5.10 of the Credit Agreement shall name the Administrative Agent (for the benefit of the Administrative Agent and the other Secured Parties) as an additional insured or as lender’s loss payee, as applicable, and shall contain loss payable clauses or mortgagee clauses, through endorsements in form and substance reasonably satisfactory to the Administrative Agent, which provide that: (i) all proceeds thereunder with respect to any Collateral shall be payable to the Administrative Agent; (ii) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy; and (iii) such policy and loss payable or mortgagee clauses may be canceled, amended, or terminated only upon at least thirty days prior written notice given to the Administrative Agent.

(c) All premiums on such insurance shall be paid when due by the Grantors, and copies of the policies delivered to the Administrative Agent. If the Grantors fail to obtain or maintain any insurance as required by this Section, the Administrative Agent may obtain such insurance at the Borrower’s expense. By purchasing such insurance, the Administrative Agent shall not be deemed to have waived any Event of Default arising from a Grantor’s failure to maintain such insurance or pay any premiums therefor.

4.13. Collateral Access Agreements . The Grantors shall use commercially reasonable efforts to obtain a Collateral Access Agreement from the lessor of each leased property, mortgagee of owned property or bailee or consignee with respect to any warehouse, processor or converter facility or other location where Collateral with a market value in excess of \$500,000 of any Grantor is stored or located, which agreement or letter shall provide access rights, contain a waiver or subordination of all Liens or claims that the landlord, mortgagee, bailee or consignee may assert against the Collateral at that location, and shall otherwise be reasonably satisfactory in form and substance to the Administrative Agent.

4.14. Deposit Account Control Agreements . The Grantors will provide to the Administrative Agent upon the Administrative Agent’s reasonable request, a Deposit Account Control Agreement duly executed on behalf of each financial institution holding a deposit account of the Grantors as set forth in this Security Agreement; provided that a Deposit Account Control Agreement shall not be required for deposit or concentration accounts, the deposits in which do not aggregate more than \$1,000,000 or exceed \$200,000 with respect to any one account (or in each case, such greater amounts to which the Agents may reasonably agree) for a period of five consecutive Business Days.

4.15. Change of Name or Location; Change of Fiscal Year . No Grantor shall (a) change its name as it appears in official filings in the state of its incorporation or organization, (b) change (i) its chief executive office, principal place of business, mailing address or (ii) warehouses or locations at which Collateral is held or stored, or the location of its records concerning the Collateral as set forth in this Security Agreement, (c) change the type of entity that it is, (d) change its organization identification

number, if any, issued by its state of incorporation or other organization, or (e) change its state of incorporation or organization, in each case, unless the Administrative Agent shall have received at least ten days prior written notice of such change and the Administrative Agent shall have acknowledged in writing that either (1) such change will not adversely affect the validity, perfection or priority of the Administrative Agent's security interest in the Collateral, or (2) any reasonable action requested by the Administrative Agent in connection therewith has been completed or taken (including any action to continue the perfection of any Liens in favor of the Administrative Agent, on behalf of Secured Parties, in any Collateral), *provided that* , any new location shall be in the continental U.S.

ARTICLE V REMEDIES

5.1. Remedies .

(a) Upon the occurrence of and during the continuation of an Event of Default, the Administrative Agent may exercise any or all of the following rights and remedies:

(i) those rights and remedies provided in this Security Agreement, the Credit Agreement, or any other Loan Document; *provided that*, this Section 5.1(a) shall not be understood to limit any rights or remedies available to the Administrative Agent and the Secured Parties prior to an Event of Default;

(ii) those rights and remedies available to a secured party upon default under the UCC (whether or not the UCC applies to the affected Collateral) or under any other applicable law (including, without limitation, 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 Deposit Account Control Agreement or and other control agreement with any securities intermediary and take any action therein with respect to such Collateral;

(iv) without notice (except as specifically provided in Section 8.1 or elsewhere herein), demand or advertisement of any kind to any Grantor or any other Person, enter the premises of a Grantor where any Collateral is located (through self-help and without judicial process) to 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 the 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 Administrative Agent may deem commercially reasonable; and

(v) concurrently with written notice to the applicable Grantor, transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations, 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 Administrative Agent was the outright owner thereof.

(b) The Administrative Agent, on behalf of the Secured Parties, may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(c) The Administrative Agent shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase for the benefit of the Administrative 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.

(d) Until the Administrative Agent is able to effect a sale, lease, or other disposition of Collateral, the Administrative 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 its value or for any other purpose deemed appropriate by the Administrative Agent. The Administrative 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 Administrative Agent's remedies (for the benefit of the Administrative Agent and Secured Parties), with respect to such appointment without prior notice or hearing as to such appointment.

(e) Notwithstanding the foregoing, neither the Administrative Agent nor the Secured Parties shall be required to (i) make any demand upon, or pursue or exhaust any of its 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 its 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) The Grantors recognize that the Administrative 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 in accordance with clause (a) above. The Grantors 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 Administrative Agent shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit the Grantors or the issuer of the Pledged Collateral to register such securities for public sale under the Securities Act of 1933, as amended, or under applicable state securities laws, even if the Grantors and the issuer would agree to do so.

The provisions of this Section 5.1 shall only apply from and after the occurrence and during the continuation of an Event of Default.

5.2. Grantors' Obligations Upon Default . Upon the request of the Administrative Agent after the occurrence of and during the continuation of an Event Default, each Grantor will:

(a) assemble and make available to the Administrative Agent the Collateral and all books and records relating thereto at any place or places specified by the Administrative Agent, whether at such Grantor's premises or elsewhere;

(b) permit the Administrative Agent, by the Administrative 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;

(c) prepare and file, or cause an issuer of Pledged Collateral to prepare and file, with the Securities and Exchange Commission or any other applicable government agency, registration statements, a prospectus and such other documentation in connection with the Pledged Collateral as the Administrative Agent may reasonably request, all in form and substance reasonably satisfactory to the Administrative Agent, and furnish to the Administrative Agent, or cause an issuer of Pledged Collateral to furnish to the Administrative Agent, any information regarding the Pledged Collateral in such detail as the Administrative Agent may specify;

(d) take, or cause an issuer of Pledged Collateral to take, any and all actions reasonably necessary to register or qualify the Pledged Collateral to enable the Administrative Agent to consummate a public sale or other disposition of the Pledged Collateral; and

(e) at its own expense, cause the independent certified public accountants then engaged by the Grantor to prepare and deliver to the Administrative Agent and each Lender, at any time, and from time to time, promptly upon the Administrative Agent's reasonable request, the following reports with respect to the Grantors: (i) a reconciliation of all Accounts; (ii) an aging of all Accounts; (iii) trial balances; and (iv) a test verification of such Accounts.

5.3. Grant of Intellectual Property License . Upon the occurrence of and during the continuation of an Event of Default, for the purpose of enabling the Administrative Agent to exercise the rights and remedies under this Article V at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby (a) grants to the Administrative Agent, for the benefit of the Administrative Agent and the Secured Parties, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to any Grantor) to use, license or sublicense any intellectual property rights included in the Collateral now owned or hereafter acquired by such Grantor, and 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 and (b) irrevocably agrees that the Administrative Agent may sell any of such Grantor's Inventory directly to any person, including without limitation persons who have previously purchased such Grantor's Inventory from such Grantor and in connection with any such sale or other enforcement of the Administrative Agent's rights under this Security Agreement, may sell Inventory which bears any Trademark owned by or licensed to a Grantor and any Inventory that is covered by any Copyright owned by or licensed to a Grantor and the Administrative Agent may finish any work in process and affix any Trademark owned by or licensed to a Grantor and sell such Inventory as provided herein.

ARTICLE VI

ACCOUNT VERIFICATION; ATTORNEY IN FACT; PROXY

6.1. Account Verification . The Administrative Agent may at any time after the occurrence of an Event of Default, in the Administrative Agent's own name, in the name of a nominee of the Administrative Agent, or in the name of the applicable Grantor communicate (by mail, telephone, facsimile or otherwise) with the Account Debtors of such Grantor, parties to contracts with such Grantor and obligors in respect of Instruments of such Grantor to verify with such Persons, to the Administrative Agent's satisfaction, the existence, amount, terms of, and any other matter relating to, Accounts, Instruments, Chattel Paper, payment intangibles and/or other Receivables.

6.2. Authorization for Administrative Agent to Take Certain Action .

(a) Each Grantor irrevocably authorizes the Administrative Agent at any time and from time to time in the sole discretion of the Administrative Agent and appoints the Administrative Agent as its attorney-in-fact (i) [reserved], (ii) to file any financing statement with respect to the Collateral and to file any other financing statement or amendment of a financing statement (which does not add new collateral or add a debtor) in such offices as the Administrative Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Administrative Agent's security interest in the Collateral, (iii) [reserved], (iv) during the continuation of an Event of Default, to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for such Liens that are permitted under Section 6.02 of the Credit Agreement), (v) [reserved], (vi) during the continuation of an Event of Default, to demand payment or enforce payment of the Receivables in the name of the Administrative Agent or the Grantor and to endorse any and all checks, drafts, and other instruments for the payment of money relating to the Receivables, (vii) during the continuation of an Event of Default, to sign the Grantor's name on any invoice or bill of lading relating to the Receivables, drafts against any Account Debtor of the Grantor, assignments and verifications of Receivables, (viii) during the continuation of an Event of Default, to exercise all of the Grantor's rights and remedies with respect to the collection of the Receivables and any other Collateral, (ix) during the continuation of an Event of Default, to settle, adjust, compromise, extend or renew the Receivables, (x) during the continuation of an Event of Default, to settle, adjust or compromise any legal proceedings brought to collect Receivables, (xi) during the continuation of an Event of Default, to prepare, file and sign the Grantor's name on a proof of claim in bankruptcy or similar document against any Account Debtor of the Grantor, (xii) during the continuation of an Event of Default, to prepare, file and sign the Grantor's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Receivables, (xiii) during the continuation of an Event of Default, to change the address for delivery of mail addressed to the Grantor to such address as the Administrative Agent may designate and to receive, open and dispose of all mail addressed to the Grantor, and (xiv) to do all other acts and things reasonably necessary to carry out this Security Agreement; and the Grantor agrees to reimburse the Administrative Agent on demand for any payment made or any reasonable expense incurred by the Administrative Agent in connection with any of the foregoing; *provided that*, this authorization shall not relieve the Grantor of any of its obligations under this Security Agreement or under the Credit Agreement.

(b) All acts of said attorney or designee are hereby ratified and approved. The powers conferred on the Administrative Agent, for the benefit of the Administrative Agent and Secured Parties, under this Section 6.2 are solely to protect the Administrative Agent's interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Lender to exercise any such powers. The Administrative Agent agrees that, except for the powers granted in Section 6.2(a)(i)-(iv) and Section 6.2(a)(xiv), it shall not exercise any power or authority granted to it unless an Event of Default has occurred and is continuing.

6.3. Proxy . EACH GRANTOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS THE ADMINISTRATIVE AGENT AS THE PROXY AND ATTORNEY-IN-FACT (AS SET FORTH IN SECTION 6.2 ABOVE) OF SUCH GRANTOR WITH RESPECT TO THE PLEDGED COLLATERAL, INCLUDING THE RIGHT TO VOTE ANY OF THE PLEDGED COLLATERAL, WITH FULL POWER OF SUBSTITUTION TO DO SO DURING THE CONTINUATION OF AN EVENT OF DEFAULT. IN ADDITION TO THE RIGHT TO VOTE ANY OF THE PLEDGED COLLATERAL, THE APPOINTMENT OF THE ADMINISTRATIVE 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 ANY OF THE 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 OF THE PLEDGED COLLATERAL ON THE RECORD BOOKS OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF THE PLEDGED COLLATERAL OR ANY OFFICER OR AGENT THEREOF), UPON THE OCCURRENCE OF AND DURING THE CONTINUATION OF AN EVENT OF DEFAULT.

6.4. Nature of Appointment; Limitation of Duty . THE APPOINTMENT OF THE ADMINISTRATIVE 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 SECURITY AGREEMENT IS TERMINATED IN ACCORDANCE WITH SECTION 7.13. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, NEITHER THE ADMINISTRATIVE AGENT, NOR ANY LENDER, NOR ANY OF THEIR AFFILIATES, NOR ANY OF THEIR OR THEIR AFFILIATES' RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, 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 IN RESPECT OF DAMAGES ATTRIBUTABLE SOLELY TO ITS OWN GROSS NEGLIGENCE 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

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 IX, 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, the Grantor waives all claims, damages, and demands against the Administrative Agent or any Lender arising out of the repossession, retention or sale of the Collateral, except such as arise solely out of the gross negligence or willful misconduct of the Administrative Agent or such Lender as determined by a court of competent jurisdiction in a final, non-appealable judgment. 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 Administrative Agent or any Lender, 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 made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Security 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 Security Agreement or any Collateral.

7.2. Limitation on Administrative Agent's and Secured Parties' Duty with Respect to the Collateral . The Administrative Agent shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Administrative Agent and each Lender shall use reasonable care with respect to the Collateral in its possession or under its control. Neither the Administrative Agent nor any Lender 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 Administrative Agent or such Lender, 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 Administrative Agent to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it is commercially reasonable for the Administrative Agent (i) to fail to incur expenses deemed significant by the Administrative 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 the Grantor, for expressions of interest in acquiring all or any portion of the 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 to insure the Administrative Agent against risks of loss, collection or disposition of Collateral or to provide to the Administrative Agent a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by the Administrative Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Administrative Agent in the collection or disposition of any of the Collateral. The Grantors acknowledge that the purpose of this Section 7.2 is to provide non-exhaustive indications of what actions or omissions by the Administrative Agent would be commercially reasonable in the Administrative Agent's exercise of remedies against the Collateral and that other actions or omissions by the Administrative 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 Administrative Agent that would not have been granted or imposed by this Security Agreement or by applicable law in the absence of this Section 7.2.

7.3. Compromises and Collection of Collateral . The Grantors and the Administrative 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, the Grantors agree that the Administrative 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 Administrative Agent in its sole discretion shall determine or abandon any Receivable, and any such action by the Administrative Agent shall be commercially reasonable so long as the Administrative Agent acts in good faith based on information known to it at the time it takes any such action.

7.4. Secured Party Performance of Debtor Obligations . During the continuation of an Event of Default, without having any obligation to do so, the Administrative Agent may perform or pay any obligation which a Grantor has agreed to perform or pay in this Security Agreement and such Grantor shall reimburse the Administrative Agent for any amounts paid by the Administrative Agent pursuant to this Section 7.4. The Grantors' obligation to reimburse the Administrative Agent pursuant to the preceding sentence shall be a Secured Obligation payable on demand.

7.5 Specific Performance of Certain Covenants . The Grantors acknowledges and agrees that a breach of any of the covenants contained in Sections 4.1(d), 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 4.12, 4.13, 4.14, 4.15, 5.2, or 7.6 will cause irreparable injury to the Administrative Agent and the Secured Parties, that the Administrative Agent and Secured Parties have no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of the Administrative Agent or the Secured Parties to seek and obtain specific performance of other obligations of the Grantors contained in this Security Agreement, that the covenants of the Grantors contained in the Sections referred to in this Section 7.5 shall be specifically enforceable against each Grantor.

7.6. No Waiver; Amendments; Cumulative Remedies . No delay or omission of the Administrative Agent or any Lender to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Administrative Agent with the concurrence or at the direction of the Lenders required under Section 9.02 of the Credit Agreement and then only to the extent in such writing specifically set forth. All rights and remedies contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to the Administrative Agent and the Secured Parties until the Secured Obligations have been paid in full.

7.7. Limitation by Law; Severability of Provisions . All rights, remedies and powers provided in this Security 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 Security Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they shall not render this Security Agreement invalid, unenforceable or not entitled to be recorded or registered, in whole or in part. Any provision in any this Security 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 Security Agreement are declared to be severable.

7.8 Reinstatement . This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or reorganization, should a Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of a Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

7.9. Benefit of Agreement . The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of the Grantors, the Administrative Agent and the Secured Parties and their respective successors and assigns (including all persons who become bound as a debtor to this Security Agreement), except that no Grantor shall have the right to assign its rights or delegate its obligations under this Security Agreement or any interest herein, without the prior written consent of the Administrative Agent unless expressly permitted pursuant to Section 6.03 of the Credit Agreement. 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 Administrative Agent, for the benefit of the Administrative Agent and the Secured Parties, hereunder.

7.10. Survival of Representations . All representations and warranties of the Grantors contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

7.11. Taxes and Expenses . The Grantors shall reimburse the Administrative Agent for any and all out-of-pocket expenses and internal charges (including reasonable attorneys', auditors' and accountants' fees and reasonable time charges of attorneys, paralegals, auditors and accountants who may be employees of the Administrative Agent) paid or incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, collection and enforcement of this Security Agreement and, to the extent provided in the Credit Agreement in the audit, analysis, administration, collection, preservation or sale of the Collateral (including the expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by the Grantors in the performance of actions required pursuant to the terms hereof shall be borne solely by the Grantors.

7.12. Headings . The title of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

7.13. Termination . This Security Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Secured Obligations outstanding) until (i) the Credit Agreement has terminated pursuant to its terms and (ii) all of the Secured Obligations (other than have been indefeasibly paid and performed in full (or with respect to any outstanding Letters of Credit, a cash deposit, or at the sole discretion of the Administrative Agent, a back up standby Letter of Credit reasonably satisfactory to the Administrative Agent, has been delivered to the Administrative Agent as required by the Credit Agreement) and no commitments of the Administrative Agent or the Lenders which would give rise to any Secured Obligations are outstanding. Upon any such termination, the Administrative Agent will, at the applicable Grantor's expense, execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

7.14. Entire Agreement . This Security Agreement and the other Loan Documents embody the entire agreement and understanding between the Grantors and the Administrative Agent relating to the Collateral and supersedes all prior agreements and understandings between any Grantor and the Administrative Agent relating to the Collateral.

7.15. Choice of Law and Consent to Jurisdiction .

(a) This Agreement shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of New York.

(b) Each Grantor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any U.S. Federal or New York State court sitting in County of Manhattan, New York, New York in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby 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 extent permitted by 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. Nothing in this Agreement shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Grantor or its properties in the courts of any jurisdiction.

(c) Each Grantor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01 of the Credit Agreement. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

7.16. Waiver of Jury Trial . EACH PARTY HERETO HEREBY 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, 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, OR OTHER AGENT (INCLUDING ANY 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.

7.17. Counterparts . This Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Security Agreement by signing any such counterpart. Delivery of an executed counterpart of a signature page of this Security Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Security Agreement.

7.18. No Novation . From and after the Effective Date, this Security Agreement shall be binding on the Grantors, and the Pledge and Security Agreement executed in connection with the Existing Credit Agreement (the “ Existing Security Agreement ”) and the provisions thereof shall be amended, restated and replaced in their entirety by this Security Agreement. This Security Agreement shall not extinguish the obligations for the payment of money outstanding under or discharge or release the Lien or priority of the Existing Security Agreement. Nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Existing Security Agreement or instruments securing the same, which shall remain in full force and effect, except to any extent modified hereby or by instruments executed concurrently herewith and except to the extent repaid as provided herein. Nothing implied in this Security Agreement or in any other document contemplated hereby shall be construed as a release or other discharge of any of the Grantors under the Existing Security Agreement from any of its obligations and liabilities thereunder.

ARTICLE VIII NOTICES

8.1. Sending Notices . Any notice required or permitted to be given under this Security Agreement shall be sent in accordance with Section 9.01 of the Credit Agreement, *provided that* notices to the Grantor shall be sent to the Grantor at its mailing address set forth in Schedule 1(c) of the Perfection Certificate with a copy to the Borrower.

8.2. Change in Address for Notices . Each of the Grantors, the Administrative Agent and the Lenders may change the address for service of notice upon it by a notice in writing to the other parties.

**ARTICLE IX
THE ADMINISTRATIVE AGENT**

JPMorgan Chase Bank, N.A. has been appointed Administrative Agent for the Lenders hereunder pursuant to Article VIII of the Credit Agreement. It is expressly understood and agreed by the parties to this Security Agreement that any authority conferred upon the Administrative Agent hereunder is subject to the terms of the delegation of authority made by the Lenders to the Administrative Agent pursuant to Article VIII of the Credit Agreement, and that the Administrative Agent has agreed to act (and any successor Administrative Agent shall act) as such hereunder only on the express conditions contained in such Article VIII. Any successor Administrative Agent appointed pursuant to Article VIII of the Credit Agreement shall be entitled to all the rights, interests and benefits of the Administrative Agent hereunder.

**ARTICLE X
PERFECTION CERTIFICATE UPDATES OVERRIDE**

Notwithstanding anything to the contrary in this Security Agreement the timely delivery of a Perfection Certificate required by Section 4.1(g) of this Security Agreement shall be deemed to have been satisfied any required disclosure under this Security Agreement to be provided during the time period between the delivery of the prior Perfection Certificate under Section 4.1(g) (the “Prior Perfection Certificate”) and the next timely delivery of a Perfection Certificate required by Section 4.1(g) of this Security Agreement (such period, the “Gap Period”) and (except for their failure to provide required disclosure under the Prior Perfection Certificate), the Grantors shall not be deemed to be in default for their failure to deliver any such required disclosure or take any related actions required hereunder with respect to any items to be included in such required disclosure during such Gap Period or for any deemed breach of any representation or covenant as a result of the Grantor’s failure to deliver such required disclosure or take such action during the Gap Period; provided, that with respect to any equity interests or notes required to be pledged hereunder, which, if certificated, shall be required to be delivered within 30 days of the acquisition or creation thereof.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the Grantor and the Administrative Agent have executed this Security Agreement as of the date first above written.

GRANTORS:

PLANET INTERMEDIATE, LLC,
as a Grantor

By: /s/ Pierre LeComte

Name: Pierre LeComte

Title: President

PLANET FITNESS HOLDINGS LLC,
as a Grantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Chief Executive Officer

PLA-FIT HEALTH, L.L.C.
PLA-FIT FRANCHISE, LLC
PLANET FITNESS EQUIPMENT, LLC
PFIP, LLC

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Chief Executive Officer

JFZ, LLC
PF DERRY, LLC
PIZZAZZ LLC
PIZZAZZ II LLC
PFPA, LLC
PF ERIE LLC
PF GREENSBURG, LLC
PLA-FIT WARMINSTER, LLC
PFCA, LLC
PF VALLEJO, LLC
PLA-FIT HEALTH NJNY, LLC
LONG ISLAND FITNESS GROUP, LLC
BAYSHORE FITNESS GROUP, LLC
MELVILLE FITNESS GROUP, LLC
CARLE PLACE FITNESS GROUP, LLC
LEVITTOWN FITNESS GROUP, LLC
1040 SOUTH BROADWAY FITNESS GROUP, LLC
BAYONNE FITNESS GROUP, LLC
EDISON FITNESS GROUP, LLC
601 WASHINGTON STREET FITNESS GROUP LLC
PEEKSKILL FITNESS GROUP, LLC
PLA-FIT COLORADO, LLC,
each as a Grantor

By: /s/ Christopher Rondeau

Name: Christopher Rondeau

Title: Manager

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: /s/ Peter M. Killea

Name: Peter M. Killea

Title: Credit Executive

EXHIBIT I

(See Section 4.8 of Security Agreement)

AMENDMENT

This Amendment, dated _____, is delivered pursuant to Section 4.8 of the Security Agreement referred to below. All defined terms herein shall have the meanings ascribed thereto or incorporated by reference in the Security Agreement. The undersigned hereby certifies that the representations and warranties in Article III of the Security Agreement are and continue to be true and correct. The undersigned further agrees that this Amendment may be attached to that certain Amended and Restated Pledge and Security Agreement, dated March 31, 2014, between the undersigned, as the Grantor, and JPMorgan Chase Bank, N.A., as the Administrative Agent, (as amended or modified from time to time prior to the date hereof, the “Security Agreement”) and that the Collateral listed on Schedule I to this Amendment shall be and become a part of the Collateral referred to in said Security Agreement and shall secure all Secured Obligations referred to in the Security Agreement.

By:

Name: _____

Title: _____

Schedule I to Amendment to Security Agreement

COMMERCIAL TORT CLAIMS

Description of Claim	Parties	Case Number; Name of Court where Case was Filed

EXHIBIT I

COMMERCIAL TORT CLAIMS

None.

EXHIBIT II

PERFECTION CERTIFICATE

PERFECTION CERTIFICATE

[], 2014

Reference is made to (i) the Amended and Restated Credit Agreement, dated as of [], 2014 (the “Credit Agreement”), among Planet Intermediate, LLC (“Holdings”), Planet Fitness Holdings, LLC (the “Borrower”), the other Loan Parties party thereto, JPMorgan Chase Bank, N.A. as the administrative agent (the “Administrative Agent”), and the lenders and other financial institutions party thereto. As used herein, “Companies” means Holdings, the Borrower and each of their respective Subsidiaries (as defined in each Credit Agreement), and “Company” means any of them. Each of the undersigned hereby certify to the Administrative Agent as follows:

1. Names . (a) The exact name of each Company that is a corporation, on such Company’s Certificate of Incorporation, for each Company that is a limited liability company, on such Company’s Certificate of Formation, and for each other Company, on such Company’s equivalent organizational documents, are as follows:

[]

(b) The following is a list of all other names (including trade names or similar appellations) used by each Company or any other business or organization to which any Company became the successor by merger, consolidation, acquisition, change in form, nature or jurisdiction of organization or otherwise, now or at any time during the past five years:

<u>Current Name</u>	<u>Past Names or Trade Names</u>

(c) The following are each Company’s (i) federal employer identification numbers and (ii) corporation identification number or other applicable formation identification number:

<u>Entity</u>	<u>Federal Employer Identification Number</u>	<u>Formation Identification Number</u>	<u>Jurisdiction of Organization</u>

2. Current Locations . (a) The chief executive offices and principal mailing addresses of each Company is:

<u>Entity</u>	<u>Mailing Address</u>	<u>State</u>	<u>County</u>	<u>Country</u>

(b) The following are all other locations in which each Company maintains any books or records relating to any of its property and assets with a market value in excess of \$100,000 (provided that the inclusion of an item on this schedule is not a representation (a) that the item exceeds the threshold above or (b) that future items not exceeding the threshold above will be scheduled, except as required above):

None.

(c) The following are all other places of business of each Company:

<u>Entity</u>	<u>Place of Business</u>

(d) The following are all other locations where any inventory or equipment with a market value in excess of \$250,000 of any Company is located (provided that the inclusion of an item on this schedule is not a representation (a) that the item exceeds the threshold above or (b) that future items not exceeding the threshold above will be scheduled, except as required above):

<u>Grantor</u>	<u>Landlord or Operator</u>	<u>Location Address</u>	<u>City, State, Zip, Country</u>

(e) The following is a list of all owned and leased real property held by any Company, and the appropriate filing office for mortgages in respect of such owned real property with a market value in excess of \$500,000 (provided that the inclusion of an item on this schedule is not a representation (a) that the item exceeds the threshold above or (b) that future items not exceeding the threshold above will be scheduled, except as required above):

Owned Real Property:

N/A

Leased Real Property:

<u>Entity</u>	<u>Leased Location</u>

(f) The following are the names and addresses of all persons or entities other than a Company, such as lessees, consignees, warehousemen or purchasers of chattel paper, which have possession or are intended to have possession of any of property or asset consisting of chattel paper, inventory or equipment of any Company with a market value in excess of \$100,000 (provided that the inclusion of an item on this schedule is not a representation (a) that the item exceeds the threshold above or (b) that future items not exceeding the threshold above will be scheduled, except as required above):

<u>Name</u>	<u>Address</u>

3. Prior Locations . (a) Set forth below is the information required by subparagraphs (a)-(e) of §2 with respect to each location at which, or other person or entity with which, prior to the date hereof, (i) any property or asset had been previously held or (ii) any place of business had been previously maintained by any Company, in each case, at any time during the past four months:

[]

4. Intellectual Property . The following is a complete list of all patents, copyrights, trademarks, trade names and service marks registered or for which applications are pending in the name of each Company:

[]

[]

5. Investment Property; Instruments . The following is a complete list of all stock, bonds, debentures, notes, commodity contracts and other securities owned by each Company and each of the Subsidiaries and all securities accounts and commodity accounts owned by each Company:

Investments

<u>Owner</u>	<u>Issuer</u>	<u>Security Description</u>	<u>% Ownership</u>

Debt Instruments

<u>Creditor</u>	<u>Debtor</u>	<u>Balance as of 12/31/2013</u>	<u>Maturity Date</u>

Securities Accounts and Commodities Accounts

<u>Owner</u>	<u>Securities Intermediary</u>	<u>Account Number</u>

6. Vessels . The following is a complete list of all vessels of each Company which are subject to any certificate of title or other registration statute of the United States, any state or any other jurisdiction:

[]

7. Other Titled Collateral . The following is a complete list of all motor vehicles with a fair market value in excess of \$250,000:

[]

8. Deposit Accounts . The following is a complete list of all deposit accounts maintained by each Company:

<u>Bank</u>	<u>Address</u>	<u>Telephone</u>	<u>Name on Account</u>	<u>Type</u>	<u>Account Number</u>

9. Commercial Tort Claims . The following is a complete list of claims arising in tort with respect to which any Company is a claimant with a value in excess of \$250,000; together with case file numbers or other identification of such claim:

[]

10. Unusual Transactions . All of the Collateral has been originated by each Company in the ordinary course of such Company’s business or consists of goods which have been acquired by such Company in the ordinary course from a person in the business of selling goods of that kind, except for the following Collateral which was obtained outside the ordinary course of business, including, but not limited to, transactions involving bulk transfers:

[]

11. Chattel Paper . The following is a complete list of all tangible chattel paper and electronic chattel paper held by each Company with a value in excess of \$50,000 individually or \$250,000 in the aggregate:

[]

12. Letter of Credit Rights . The following is a complete list of all letters of credit issued in favor of each Company, as beneficiary thereunder, with a value in excess of \$50,000 individually or \$250,000 in the aggregate:

[]

13. Authorization . The undersigned hereby irrevocably authorize the Administrative Agents at any time (including, without limitation, any time prior to the execution of a definitive security agreement) and from time to time to file in any filing office in any jurisdiction any initial financing statements and amendments thereto and hereby ratifies its authorization for the Administrative Agents to have filed in any jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the date first set forth above.

PLANET INTERMEDIATE, LLC

By: _____
Name: _____
Title: _____

PLANET FITNESS HOLDINGS, LLC

By: _____
Name: _____
Title: _____

[]

By: _____
Name: _____
Title: _____

November 8, 2012

Christopher Rondeau
26 Fox Run Road
Newington, NH 03801

Dear Chris:

This letter (the “ Agreement ”) confirms the terms and conditions of your employment with Planet Fitness Holdings, LLC (the “ Company ”).

1. Position and Duties.

(a) Effective as of the Closing Date, as defined in the Membership Interest Purchase Agreement by and between TSG PF Investment L.L.C. (the “ Buyer ”) and the Company, dated as of October 23, 2012, you will continue to be employed by the Company, on a full-time basis, as its Chief Operating Officer. In addition, you may be asked from time to time to serve as a manager, director or officer of one or more of the Company’s Affiliates, without further compensation. In the event that the Closing Date does not occur, this Agreement shall be of no force or effect.

(b) You agree to perform the duties of your position and such other duties as may reasonably be assigned to you from time to time. You also agree that, while employed by the Company, you will devote your full business time and your best efforts, business judgment, skill and knowledge exclusively to the advancement of the business interests of the Company and its Affiliates and to the discharge of your duties and responsibilities for them.

(c) You agree to comply with all Company policies, practices and procedures and all codes of ethics or business conduct applicable to your position, as in effect from time to time.

2. Compensation and Benefits. During your employment, as compensation for all services performed by you for the Company and its Affiliates and subject to your full performance of your obligations hereunder, the Company will provide you the following pay and benefits:

(a) Base Salary . The Company will pay you a base salary at the rate of \$500,000 per year, payable in accordance with the regular payroll practices of the Company and subject to upward adjustment from time to time by the Board of Managers of the Company (the “ Board ”) in its discretion (as adjusted, from time to time, the “ Base Salary ”).

(b) Bonus Compensation . For each fiscal year completed during your employment under this Agreement, you will be eligible to earn an annual bonus. Your target bonus will be between 50% of your Base Salary and 100% of your Base Salary, with the actual amount of any such bonus being determined by the Board in its discretion, based on the Company’s performance against goals established annually by the Board after consultation with you. In order to receive any annual bonus under this Section 4(b), except as provided in Section 5(b) of this Agreement, you must be employed by the Company on the last day of such fiscal year. Annual bonuses will be payable after completion of the Company’s fiscal audit in the fiscal year following the fiscal year in which the bonus is earned, and in all events within 90 days following the close of the preceding fiscal year.

(c) Participation in Employee Benefit Plans . You will be eligible to participate in all employee benefit plans from time to time in effect for employees of the Company generally, except to the extent such plans are duplicative of benefits otherwise provided you under this Agreement (e . g . , a severance pay plan). Your participation will be subject to the terms of the applicable plan documents and generally applicable Company policies, as the same may be in effect from time to time.

(d) Vacations . You will be entitled to earn up to 4 weeks of vacation per year, in addition to holidays observed by the Company. Vacation may be taken at such times and intervals as you shall determine, subject to the business needs of the Company. Vacation shall otherwise be subject to the policies of the Company, as in effect from time to time.

(e) Business Expenses . The Company will pay or reimburse you for all reasonable business expenses incurred or paid by you in the performance of your duties and responsibilities for the Company, subject to any maximum annual limit and other restrictions on such expenses set by the Company and to such reasonable substantiation and documentation as may be specified from time to time. Your right to reimbursement for business expenses hereunder shall be subject to the following additional rules: (i) the amount of expenses eligible for reimbursement during any calendar year shall not affect the expenses eligible for reimbursement in any other taxable year, (ii) reimbursement shall be made not later than December 31 of the calendar year following the calendar year in which the expense was incurred, and (iii) the right to reimbursement is not subject to liquidation or exchange for any other benefit.

3. Confidential Information and Restricted Activities.

(a) Confidential Information . During the course of your employment with the Company, you have and will learn of Confidential Information, as defined below, and you have and may develop Confidential Information on behalf of the Company and its Affiliates. You agree that you will not use or disclose to any Person (except as required by applicable law or for the proper performance of your regular duties and responsibilities for the Company) any Confidential Information obtained by you incident to your employment or any other association with the Company or any of its Affiliates. You agree that this restriction shall continue to apply after your employment terminates, regardless of the reason for such termination.

(b) Protection of Documents . All documents, records and files, in any media of whatever kind and description, relating to the business, present or otherwise, of the Company or any of its Affiliates, and any copies, in whole or in part, thereof (the “ Documents ”), whether or not prepared by you, shall be the sole and exclusive property of the Company. You agree to safeguard all Documents and to surrender to the Company, at the time your employment terminates or at such earlier time or times as the Board or its designee may specify, all Documents then in your possession or control. You also agree to disclose to the Company, at the time your employment terminates or at such earlier time or times as the Board or its designee may specify, all passwords necessary or desirable to access any Company information you have stored on the Company’s systems.

(c) Assignment of Rights to Intellectual Property . You shall promptly and fully disclose all Intellectual Property to the Company. You hereby assign and agree to assign to the Company (or as otherwise directed by the Company) your full right, title and interest in and to all Intellectual Property. You agree to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. You will not charge the Company for time spent in complying with these obligations. All copyrightable works that you create during your employment shall be considered “work made for hire” and shall, upon creation, be owned exclusively by the Company.

(d) Restricted Activities . You agree that the following restrictions on your activities during your employment are necessary to protect the good will, Confidential Information, trade secrets and other legitimate interests of the Company and its Affiliates:

(i) While you are employed by the Company (the “ Restricted Period ”), you will not, directly or indirectly, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, engage in the Business of the Company or undertake

any planning to engage in the Business of the Company, as long as the Buyer continues to carry on the Business of the Company, in any geographic area anywhere in the world. For purposes of this Agreement, the “Business of the Company” shall mean owning, franchising or operating low-price health and fitness clubs and “low-price health and fitness clubs” shall mean health and fitness clubs that charge membership fees of thirty dollars (\$30) or less per month. The foregoing, however, shall not prevent your passive ownership of five percent (5%) or less of the equity securities of any publicly traded company.

(ii) During the Restricted Period, you will not, directly or indirectly, (a) solicit or encourage any franchisee of the Company or any of its Affiliates to terminate or diminish its relationship with them; or (b) seek to persuade any such franchisee or prospective franchisee of the Company or any of its Affiliates to conduct with anyone else any business or activity which such franchisee or prospective franchisee conducts or could conduct with the Company or any of its Affiliates.

(iii) During the Restricted Period, you will not, directly or indirectly, (a) hire or solicit for hiring any employee of the Company or any of its Affiliates or seek to persuade any employee of the Company or any of its Affiliates to discontinue employment or (b) solicit or encourage any independent contractor providing services to the Company or any of its Affiliates to terminate or diminish its relationship with them; provided, however, that these restrictions shall apply only to employees and independent contractors who have provided services to the Company at any time within the immediately preceding two year period.

(iv) In signing this Agreement, you give the Company assurance that you have carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on you under this Section 3. You agree without reservation that these restraints are necessary for the reasonable and proper protection of the Company and its Affiliates, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. You further agree that, were you to breach any of the covenants contained in this Section 3, the damage to the Company and its Affiliates would be irreparable. You therefore agree that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by you of any of those covenants, without having to post bond. You and the Company agree that, in the event of any dispute under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney’s fees and costs from the other party. You and the Company further agree that, in the event that any provision of this Section 3 is determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, that provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. It is also agreed that each of the Company’s Affiliates shall have the right to enforce all of your obligations to that Affiliate under this Agreement, including without limitation pursuant to this Section 3. Finally, no claimed breach of this Agreement or other violation of law attributed to the Company, or change in the nature or scope of your employment relationship with the Company, shall operate to excuse you from the performance of your obligations under this Section 3.

4. Termination of Employment. Your employment under this Agreement shall continue until terminated pursuant to this Section 4.

(a) By the Company For Cause . The Company may terminate your employment for Cause upon notice to you setting forth in reasonable detail the nature of the cause. For the purposes of this Agreement, “ Cause ” is defined as any one of the following: (i) your intentional breach of this Agreement or of any fiduciary duty owed by you to the Company or any of its Affiliates, (ii) your conviction of, or plea of nolo contendere to, a felony, (iii) your conviction of a crime of moral turpitude, (iv) your commission of a fraud, or engaging in embezzlement, theft or material dishonesty, with respect to the Company or any of its Affiliates or (v) your failure to follow lawful directions of the Board consistent with this Agreement, which failure remains uncured for a period of fifteen (15) days following the Company’s written notice to you. Notwithstanding the foregoing, the Company will not have to provide more than one notice and opportunity to cure under Section 5(a)(v) hereof with respect to any multiple, repeated, related or substantially similar events or circumstances.

(b) By the Company Without Cause . The Company may terminate your employment at any time other than for Cause upon notice to you.

(c) By You For Good Reason . You may terminate your employment for Good Reason upon notice to the Company setting forth in reasonable detail the nature of the good reason. For the purposes of this Agreement, “ Good Reason ” is defined as any one of the following occurring without your written consent: (i) the Company’s relocation of you to an office located more than 35 miles from Newington, New Hampshire, (ii) a material diminution in Base Salary or (iii) a material breach by the Company of this Agreement; provided that, in the case of either (i), (ii) or (iii), notice of the claimed Good Reason is provided within 60 days of the condition being known to you and the applicable relocation, diminution or breach remains uncured for a period of 30 days following your written notice to the Company. You must terminate your employment, if at all, not later than 120 days following the occurrence giving rise to Good Reason; provided, however, that in the event the Company provides you with the notice referred to in Section 5(a)(v) hereof, you may not seek to terminate your employment hereunder for Good Reason after receipt of such notice and prior to the date that is 2 days following the expiration of the 15 day cure period.

(d) By You Without Good Reason . You may terminate your employment at any time upon 30 days’ notice to the Company. The Board may elect to waive such notice period or any portion thereof; but in that event, the Company shall pay you your base salary for that portion of the notice period so waived.

(e) Death and Disability . Your employment hereunder shall automatically terminate in the event of your death during employment. In the event you become disabled during employment and, as a result, are unable to continue to perform substantially all of your duties and responsibilities under this Agreement, either with or without any reasonable accommodation that may be due, the Company will continue to pay you your base salary, reduced by any disability income benefits to which you are entitled, and to provide you benefits in accordance with Section 2(c) above, to the extent permitted by plan terms, for up to 90 consecutive days or 120 non-consecutive days of disability during any period of 365 consecutive calendar days. If you are unable to return to work after 90 consecutive days or 120 non-consecutive days of disability, the Company may terminate your employment, upon notice to you. If any question shall arise as to whether you are disabled to the extent that you are unable to perform substantially all of your duties and responsibilities for the Company and its Affiliates, you shall, at the Company's request, submit to a medical examination by a physician selected by the Company to whom you or your guardian, if any, has no reasonable objection to determine whether you are so disabled, and such determination shall for purposes of this Agreement be conclusive of the issue. If such a question arises and you fail to submit to the requested medical examination, the Company's determination of the issue shall be binding on you.

5. Other Matters Related to Termination.

(a) Final Compensation . In the event of termination of your employment with the Company, howsoever occurring, the Company shall pay you (i) your base salary for the final payroll period of your employment, through the date your employment terminates; (ii) compensation at the rate of your base salary for any vacation time earned but not used as of the date your employment terminates; (iii) subject to the timing rules of Section 2(b) above, any bonus awarded but not yet paid for the bonus year preceding the year in which termination occurs; and (iv) reimbursement for business expenses incurred by you but not yet paid to you as of the date your employment terminates; provided you submit all expenses and supporting documentation required within 30 days of the date your employment terminates, and provided further that such expenses are re-imburseable under Company policies as then in effect (all of the foregoing, "Final Compensation"). All Final Compensation shall be paid to you at the time prescribed by law or applicable Company Policy for such payment, but, other than any bonus described in Section 5(a)(iii), in no event more than 60 days following the termination of your employment.

(b) Severance . In the event of your separation from service in connection with any termination of your employment pursuant to Section 4(b) or Section 4(c) above, subject to Section 5(c) and 5(e) below, the Company will pay you, in addition to Final Compensation, twelve (12) months of your Base Salary (the "Severance") plus a pro rata portion of the annual bonus you would have earned for the fiscal year in which your separation from service occurs had your employment continued for the full year (based on the actual average bonus percentage paid to other similarly situated employees of the Company) (the, "Target Bonus" and together with the Severance, the "Severance Payment").

(c) Conditions To And Timing Of Severance Payment . Any obligation of the Company to provide you the Severance Payment is conditioned, however, on your signing and returning to the Company a timely and effective separation agreement containing a release of claims and non-disparagement provision in the form appended hereto as Exhibit A (the “ Release of Claims ”). The Release of Claims must become effective, if at all, by the 60th calendar day following the date your employment is terminated. Any Severance to which you are entitled will be in the form of salary continuation, payable during the twelve (12) month period following the date your employment is terminated in accordance with the normal payroll practices of the Company. The first payment, which shall be retroactive to the date immediately following the date your employment is terminated, will be made on the first regularly scheduled payroll date that follows the expiration of 60 days from the date your employment is terminated (the “ Payment Date ”). Any Target Bonus to which you are entitled will be payable at such time when bonuses are payable to executives of the Company generally or, if later, on the Payment Date (and in all events in the fiscal year following the fiscal year for which it is earned).

(d) Benefits Termination . Except for any right you may have under the federal law known as “COBRA” to continued participation in the Company’s group health and dental plans at your cost, your participation in all employee benefit plans shall terminate in accordance with the terms of the applicable benefit plans based on the date of termination of your employment, without regard to any continuation of base salary or other payment to you following termination and you shall not be eligible to earn vacation or other paid time off following the termination of your employment.

(e) Survival . Provisions of this Agreement shall survive any termination of employment if so provided in this Agreement or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation your obligations under Section 3 of this Agreement. The obligation of the Company to make payments to you under Section 5(b), and your right to retain the same, are expressly conditioned upon your continued full performance of your obligations under Section 3 hereof. Upon termination by either you or the Company, all rights, duties and obligations of you and the Company to each other shall cease, except as otherwise expressly provided in this Agreement.

6. Timing of Payments and Section 409A.

(a) Notwithstanding anything to the contrary in this Agreement, if at the time your employment terminates, you are a “specified employee,” as defined below, any and all amounts payable under this Agreement on account of such separation from service that would (but for this provision) be payable within six (6) months following the date of termination, shall

instead be paid on the next business day following the expiration of such six (6) month period or, if earlier, upon your death; except (A) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Treasury regulation Section 1.409A-1(b) (including without limitation by reason of the safe harbor set forth in Section 1.409A-1(b)(9)(iii), as determined by the Company in its reasonable good faith discretion); (B) benefits which qualify as excepted welfare benefits pursuant to Treasury regulation Section 1.409A-1(a)(5); or (C) other amounts or benefits that are not subject to the requirements of Section 409A of the Internal Revenue Code of 1986, as amended.

(b) For purposes of this Agreement, all references to “termination of employment” and correlative phrases shall be construed to require a “separation from service” (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein), and the term “specified employee” means an individual determined by the Company to be a specified employee under Treasury regulation Section 1.409A-1(i).

(c) Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments.

7. Definitions. For purposes of this Agreement, the following definitions apply:

“ Affiliates ” means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, equity interest or otherwise.

“ Confidential Information ” means any and all information of the Company and its Affiliates that is not generally available to the public. Confidential Information also includes any information received by the Company or any of its Affiliates from any Person with any understanding, express or implied, that it will not be disclosed. Confidential Information does not include information that enters the public domain, other than through your breach of your obligations under this Agreement.

“ Intellectual Property ” means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by you (whether alone or with others, whether or not during normal business hours or on or off Company premises) during your employment that relate either to the business of the Company or to any prospective activity of the Company or any of its Affiliates or that result from any work performed by the Executive for the Company or any of its Affiliates or that make use of Confidential Information or any of the equipment or facilities of the Company or any of its Affiliates.

“ **Person** ” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust or any other entity or organization, other than the Company or any of its Affiliates.

8. Conflicting Agreements. You hereby represent and warrant that your signing of this Agreement and the performance of your obligations under it will not breach or be in conflict with any other agreement to which you are a party or are bound, and that you are not now subject to any covenants against competition or similar covenants or any court order that could affect the performance of your obligations under this Agreement. You agree that you will not disclose to or use on behalf of the Company any confidential or proprietary information of a third party without that party’s consent.

9. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts that are required to be withheld by the Company under applicable law.

10. Assignment. Neither you nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, the Company may assign its rights and obligations under this Agreement without your consent to one of its Affiliates or to any Person with whom the Company shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets. This Agreement shall inure to the benefit of and be binding upon you and the Company, and each of our respective successors, executors, administrators, heirs and permitted assigns.

11. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

12. Miscellaneous. This Agreement sets forth the entire agreement between you and the Company, and replaces all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the terms and conditions of your employment. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by you and an expressly authorized representative of the Board. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. This is a New Hampshire contract and shall be governed and construed in accordance with the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof.

13. **Notices.** Any notices provided for in this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, and addressed to you at your last known address on the books of the Company or, in the case of the Company, to it at its principal place of business, attention of the Chair of the Board, or to such other address as either party may specify by notice to the other actually received.

[Remainder of page intentionally left blank]

If the foregoing is acceptable to you, please sign this letter in the space provided and return it to me no later than the Closing Date. As of the Closing Date, this letter will take effect as a binding agreement between you and the Company on the basis set forth above. The enclosed copy is for your records.

Sincerely yours,

/s/ Michael Grondahl

Michael Grondahl

Chief Executive Officer

Accepted and Agreed:

/s/ Christopher Rondeau

Christopher Rondeau

Date:

[Signature Page to Christopher Rondeau Employment Agreement]

EXHIBIT A
RELEASE OF CLAIMS

For and in consideration of certain benefits to be provided me, which are conditioned on my signing and not revoking this Release of Claims and to which I am not otherwise entitled, and other good and valuable consideration, the receipt and sufficiency of which I hereby acknowledge, on my own behalf and on behalf of my heirs, executors, administrators, beneficiaries, representatives and assigns, and all others connected with or claiming through me, I hereby release and forever discharge Planet Fitness Holdings, LLC (the “Company”) and its parent and affiliated entities, and all of their respective present and former officers, directors, shareholders, employees, employee benefits plans, administrators, trustees, agents, representatives, consultants, successors and assigns, and all those connected with any of them, in their official and individual capacities (collectively, the “Released Parties”), from any and all suits, claims, demands, debts, sums of money, damages, interest, attorneys’ fees, expenses, actions, causes of action, judgments, accounts, promises, contracts, agreements, and any and all claims at law or in equity, whether now known or unknown, which I now have or ever have had against the Released Parties, or any of them, including, but not limited to, any claims under Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Family and Medical Leave Act, the Age Discrimination in Employment Act, the Older Worker Benefits Protection Act, the Genetic Information Nondiscrimination Act of 2008, the fair employment practices laws of the state or states in which I have provided services to the Company, and any other federal, state or local statute, regulation, ordinance or common law, and all claims related to or arising out of my employment or the termination of my employment with the Company (collectively, the “Claims”). I also waive any right I may have to recover any compensation or damages in any action against any of the Released Parties brought by any governmental entity on my behalf or on behalf of any class of which I may be a member. I hereby represent that I have not previously filed or joined in any complaints, charges or lawsuits against the Company pending before any governmental agency or court of law relating to my employment and/or the termination thereof. This Release of Claims shall not apply to any Claim (a) that arises after I sign this Release of Claims; (b) that may not be waived pursuant to applicable law; or (c) by me to enforce the provisions of this Release of Claims.

I further agree that I will not disparage or criticize the Released Parties, or the business, management or services of the Company or any of its affiliates, and that I will not otherwise do or say anything that could disrupt the good morale of employees of the Company or any of its affiliates or harm the interests or reputation of the Company or any of its affiliates.

I acknowledge that I may consider the terms of this Release of Claims to decide whether to sign it for up to [twenty-one (21)/forty-five (45) 1] days from my receipt of this Release of Claims. I acknowledge, however, that I may not sign this Release of Claims until after the date my employment with the Company terminates. I acknowledge that I will have seven (7) days after signing this Release of Claims to revoke my signature, and that, if I intend to revoke my signature, I must do so in writing addressed and delivered to [Contact Name] prior to the end of the seven-day revocation period. I understand that this Release of Claims shall become effective upon the eighth (8th) day following the day I sign it, provided I do not revoke my acceptance.

1 Note to Draft: Consideration period to be determined by the Company at the time of termination of employment.

I also acknowledge that I am advised by the Company to seek the advice of an attorney prior to signing this Release of Claims; that I have had sufficient time to consider this Release of Claims and to consult with an attorney, if I wished to do so, or to consult with any other person of my choosing before signing; and that I am signing this Release of Claims voluntarily and with a full understanding of its terms

Accepted and agreed:

Signature: _____

Date: _____



January 21, 2013

Christopher Rondeau
26 Fox Run Road
Newington, NH 03801

Dear Chris:

This letter (the “Agreement”) confirms our agreement to change your title to Chief Executive Officer of Planet Fitness Holdings, LLC (the “Company”), and is intended to amend the Employment Agreement between you and the Company dated as of November 8, 2012 (the “Employment Agreement”, attached hereto as Exhibit A).

1. **Position and Duties** . Section 1(a) of the Employment Agreement is replaced in its entirety with the following new Section 1(a):

Effective as of January 16, 2013, you will be employed by the Company, on a full-time basis, as its Chief Executive Officer. In addition, you may be asked from time to time to serve as a manager, director or officer of one or more of the Company’s Affiliates, without further compensation.

2. **No Other Changes**. Except as expressly modified above, the Employment Agreement remains in full force and effect, and is binding on you and the Company, in accordance with its terms.

3. **Miscellaneous** . You acknowledge that the Employment Agreement, as amended by this Agreement, sets forth your entire agreement with the Company and supersedes all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the subject matter hereof.

[*Remainder of page intentionally left blank*]

www.planetfitness.com

If the foregoing is acceptable to you, please sign this letter in the space provided below. At the time you sign and return it this letter will take effect as a binding agreement between you and the Company, subject to the terms and conditions set forth above. The enclosed copy is for your records.

Sincerely,
PLANET FITNESS HOLDINGS, LLC

By: /s/ Richard Moore
Richard Moore
Executive Vice President & General Counsel

Accepted and agreed:

Signature: /s/ Christopher Rondeau
Christopher Rondeau

Date: 1-21-13



June 28, 2013

Electronic Delivery

Dorvin Lively

Dear Dorvin:

This letter (the “Agreement”) will confirm our offer to you of employment with Pla-Fit Franchise, LLC (the “Company”), under the terms and conditions that follow.

1. Position and Duties.

(a) Effective as of July 25, 2013 (the “Start Date”), you will be employed by the Company, on a full-time basis, as its Chief Financial Officer. In addition, you may be asked from time to time to serve as a director or officer of one or more of the Company’s Affiliates, without further compensation.

(b) You agree to perform the duties of your position and such other duties as may reasonably be assigned to you from time to time. You also agree that, while employed by the Company, you will devote your full business time and your best efforts, business judgment, skill and knowledge exclusively to the advancement of the business interests of the Company and its Affiliates and to the discharge of your duties and responsibilities for them. You also agree to comply with all Company policies, practices and procedures and all codes of ethics or business conduct applicable to your position, as in effect from time to time.

2. Compensation and Benefits. During your employment, as compensation for all services performed by you for the Company and its Affiliates and subject to your full performance of your obligations hereunder, the Company will provide you the following pay and benefits:

(a) Base Salary . The Company will pay you a base salary at the rate of \$450,000 per year, payable in accordance with the regular payroll practices of the Company and subject to adjustment from time to time by the Board of Managers of the Company (the “Board”) in its discretion (as adjusted, from time to time, the “Base Salary”).

www.planetfitness.com

(b) Bonus Compensation . For each fiscal year completed during your employment under this Agreement, you will be eligible to earn an annual bonus. For the 2013 fiscal year, you will be eligible to earn a pro-rated annual bonus. Your target bonus will be 50% of your Base Salary, with the actual amount of any such bonus being determined by the Board in its discretion, based on your performance and that of the Company against goals established by the Board after consultation with you. Annual bonuses will be payable within two and one half months following the close of the year for which the bonus is earned.

(c) Equity Compensation . Promptly following the Start Date, and subject to the receipt of any required approvals, you will be awarded a profits interest equal to 1.5% of the equity of Pla-Fit Holdings, LLC (the “ Parent ”) under the Pla-Fit Holdings, LLC 2013 Equity Incentive Plan (the “ Plan ”) (such award, the “ Grant ”). The terms and conditions of the Grant shall be set forth in a grant award agreement. The Grant shall be subject to the terms of the Plan, the grant award agreement, the LLC agreement of the Parent and any other applicable agreements and other restrictions and limitations generally applicable to the equity of the Parent or equity awards held by Company executives or otherwise imposed by law. You will not be eligible to receive any other equity of the Parent, whether under an equity incentive plan or otherwise, except as expressly provided in this Agreement or as otherwise expressly authorized for you individually by the Board.

(d) Participation in Employee Benefit Plans . You will be entitled to participate in all employee benefit plans from time to time in effect for senior executives of the Company generally, except to the extent such plans are duplicative of benefits otherwise provided you under this Agreement (e.g., a severance pay plan). Your participation in any such employee benefit plans will be subject to the terms of the applicable plan documents, generally applicable Company policies and any other restrictions or limitations imposed by law.

(e) Vacations . You will be entitled to earn up to twenty (20) days of vacation per year, in addition to holidays observed by the Company. Vacation may be taken at such times and intervals as you shall determine, subject to the business needs of the Company. Vacation shall otherwise be subject to the policies of the Company, as in effect from time to time.

(f) Business Expenses . The Company will pay or reimburse you for all reasonable business expenses incurred or paid by you in the performance of your duties and responsibilities for the Company, subject to any maximum annual limit and other restrictions on such expenses set by the Company and to such reasonable substantiation and documentation as may be specified from time to time. Your right to payment or reimbursement for business expenses hereunder shall be subject to the following additional rules: (i) the amount of expenses eligible for payment or reimbursement during any calendar year shall not affect the expenses eligible for reimbursement in any other taxable year, (ii) payment or reimbursement shall be made not later than December 31 of the calendar year following the calendar year in which the expense was incurred, and (iii) the right to payment or reimbursement is not subject to liquidation or exchange for any other benefit.

(g) Relocation Expenses . The Company will reimburse you for the reasonable expenses incurred by you in connection with your relocation to the Newington, New Hampshire area within three (3) months following the Start Date, up to a maximum amount of \$50,000, provided that you provide reasonable substantiation and documentation for any such expenses not later than thirty (30) days following the date on which the applicable expense is incurred, and subject to the other terms and conditions set forth in Section 2(f) hereof.

(h) Travel Expenses . The Company will reimburse you for the reasonable travel expenses incurred by you in connection with travel between your residence in Texas and the Newington, New Hampshire area for a period of up to three (3) months following the Start Date, up to a maximum of two (2) round-trip visits per month, provided that you provide reasonable substantiation and documentation for any such expenses not later than thirty (30) days following the date on which the applicable expense is incurred, and subject to the other terms and conditions set forth in Section 2(f) hereof.

(i) COBRA Continuation Costs . The Company will reimburse you for your actual costs incurred in maintaining group health insurance coverage from your former employer pursuant to the federal law known as “COBRA”, up to \$780 per month, until you become eligible for coverage under the group health plans of the Company.

(j) D&O Liability Insurance . The Company will use commercially reasonable efforts to maintain directors’ and officers’ liability insurance in a coverage amount not less than that in effect as of the first date of your employment hereunder. The coverage under any such policy shall be subject to the terms and conditions thereof.

3. Confidential Information and Restricted Activities.

(a) Confidential Information . During the course of your employment with the Company, you will learn of Confidential Information, as defined below, and you may develop Confidential Information on behalf of the Company and its Affiliates. You agree that you will not use or disclose to any Person (except as required by applicable law or for the proper performance of your regular duties and responsibilities for the Company) any Confidential Information obtained by you incident to your employment or any other association with the Company or any of its Affiliates. You agree that this restriction shall continue to apply after your employment terminates, regardless of the reason for such termination.

(b) Protection of Documents . All documents, records and files, in any media of whatever kind and description, relating to the business, present or otherwise, of the Company or any of its Affiliates, and any copies, in whole or in part, thereof (the “ Documents ”), whether or not prepared by you, shall be the sole and exclusive property of the Company. You agree to safeguard all Documents and to surrender to the Company, at the time your employment terminates or at such earlier time or times as the Board or its designee may specify, all Documents then in your possession or control. You also agree to disclose to the Company, at the time your employment terminates or at such earlier time or times as the Board or its designee may specify, all passwords necessary or desirable to obtain access to, or that would assist in obtaining access to, any information which you have password-protected on any computer equipment, network or system of the Company or any of its Affiliates.

(c) Assignment of Rights to Intellectual Property . You shall promptly and fully disclose all Intellectual Property to the Company. You hereby assign and agree to assign to the Company (or as otherwise directed by the Company) your full right, title and interest in and to all Intellectual Property. You agree to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. You will not charge the Company for time spent in complying with these obligations. All copyrightable works that you create during your employment shall be considered “work made for hire” and shall, upon creation, be owned exclusively by the Company.

(d) Restricted Activities . You agree that the following restrictions on your activities during and after your employment are necessary to protect the good will, Confidential Information, trade secrets and other legitimate interests of the Company and its Affiliates:

(i) While you are employed by the Company and during the two (2) year period immediately following termination of your employment, regardless of the reason therefor (in the aggregate, the “ Restricted Period ”), you shall not, directly or indirectly, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete with the Company or any of its Affiliates in any geographic area in which the Company does business or undertake any planning for any business competitive with the Company or any of its Affiliates. Specifically, but without limiting the foregoing, you agree not to work or provide services, in any capacity, whether as an employee, independent contractor or otherwise, whether with or without compensation, to any Person that is engaged in any business that is competitive with the business of the Company or its Affiliates, as conducted or in planning during your employment with the Company.

(ii) During the Restricted Period, you will not directly or indirectly (a) solicit or encourage any customer or franchisee of the Company or any of its Affiliates to terminate or diminish its relationship with them; or (b) seek to persuade any such customer or prospective customer, or franchisee or prospective franchisee, of the Company or any of its Affiliates to conduct with anyone else any business or activity which such customer or prospective customer, or franchisee or prospective franchisee, conducts or could conduct with the Company or any of its Affiliates; provided, however, that these restrictions shall apply (y) only with respect to those Persons who are or have been a customer or franchisee of the Company or any of its Affiliates at any time within the immediately preceding two (2) year period or whose business has been solicited on behalf of the Company or any of the Affiliates by any of their officers, employees or agents within such two (2) year period, other than by form letter, blanket mailing or published advertisement, and (z) only if you have performed work for such Person during your employment with the Company or one of its Affiliates or been introduced to, or otherwise had contact with, such Person as a result of your employment or other associations with the Company or one of its Affiliates or have had access to Confidential Information which would assist in your solicitation of such Person.

(iii) During the Restricted Period, you will not, and will not assist any other Person to, (a) hire or solicit for hiring any employee of the Company or any of its Affiliates or seek to persuade any employee of the Company or any of its Affiliates to discontinue employment or (b) solicit or encourage any independent contractor providing services to the Company or any of its Affiliates to terminate or diminish its relationship with them. For the purposes of this Agreement, an “ employee ” or an “ independent contractor ” of the Company or any of its Affiliates is any person who was such at any time within the preceding two (2) years.

(e) In signing this Agreement, you give the Company assurance that you have carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on you under this Section 3, and that you received a copy of this Agreement at the time that you received your offer of employment from the Company. You agree without reservation that these restraints are necessary for the reasonable and proper protection of the Company and its Affiliates, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. You further agree that, were you to breach any of the covenants contained in this Section 3, the damage to the Company and its Affiliates would be irreparable. You therefore agree that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by you of any of those covenants, without having to post bond together with an award of its reasonable attorney’s fees incurred in enforcing its rights hereunder. So that the Company may enjoy the full benefit of the covenants contained in this Section 3, you further agree that the Restricted Period shall be tolled, and shall not run, during the period of any breach by you of any of the covenants contained in this Section 3. You and the Company further agree that, in the event that any provision of this Section 3 is determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, that provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. It is also agreed that each of the Company’s Affiliates shall have the right to enforce all of your obligations to that Affiliate under this Agreement, including without limitation pursuant to this Section 3. Finally, no claimed breach of this Agreement or other violation of law attributed to the Company, or change in the nature or scope of your employment relationship with the Company, shall operate to excuse you from the performance of your obligations under this Section 3.

4. Termination of Employment . Your employment under this Agreement shall continue until terminated pursuant to this Section 4.

(a) By the Company For Cause . The Company may terminate your employment for Cause upon notice to you setting forth in reasonable detail the nature of the cause. The following, as determined by the Board in its reasonable judgment, shall constitute Cause for termination: (i) your substantial failure to perform (other than by reason of disability),

www.planetfitness.com

or gross negligence in the performance of, your duties and responsibilities to the Company or any of its Affiliates, which failure or neglect, if susceptible of cure, remains uncured or continues or recurs more than ten (10) business days after delivery of written notice from the Company setting out the nature of such failure or neglect; (ii) your material breach of this Agreement or any other agreement between you and the Company or any of its Affiliates, where such breach, if susceptible of cure, remains uncured or continues or recurs more than ten (10) business days after delivery of written notice from the Company setting out the nature of such failure or negligence or recurs after once being cured; (iii) your commission of a felony or other crime involving moral turpitude or (iv) other conduct by you that is or could reasonably be expected to be harmful to the business interests or reputation of the Company or any of its Affiliates.

(b) By the Company Without Cause . The Company may terminate your employment hereunder at any time other than for Cause upon notice to you.

(c) Resignation by You for Good Reason . You may terminate your employment hereunder for Good Reason by (i) providing notice to the Company specifying in reasonable detail the condition giving rise to the Good Reason no later than the thirtieth (30th) day following the occurrence of that condition; (ii) providing the Company a period of thirty (30) days to remedy the condition and so specifying in the notice; and (iii) terminating your employment within thirty (30) days following the expiration of the period to remedy if the Company fails to remedy the condition. The following, if occurring without your consent, shall constitute “Good Reason” for termination of your employment by you: (A) material diminution in the nature or scope of your duties, authority and/or responsibilities as Chief Financial Officer that, taken as a whole, effectively constitutes a demotion; provided, however, that the Company’s failure to continue your appointment or election as a director or officer of any of its Affiliates shall not constitute Good Reason or (B) a material reduction in Base Salary.

(d) Resignation by You Without Good Reason . You may terminate your employment hereunder at any time upon sixty (60) days’ notice to the Company. The Board may elect to waive such notice period or any portion thereof; but in that event, the Company shall pay you your Base Salary for that portion of the notice period so waived.

(e) Death and Disability . Your employment hereunder shall automatically terminate in the event of your death during employment. In the event you become disabled during employment and, as a result, are unable to continue to perform substantially all of your duties and responsibilities under this Agreement, either with or without reasonable accommodation, the Company will continue to pay you your Base Salary and to provide you benefits in accordance with Section 2(d) above, to the extent permitted by plan terms, for up to twelve (12) weeks of disability during any period of three hundred and sixty-five (365) consecutive calendar days; provided, that any Base Salary payable during such period shall be reduced by the amount of any benefits payable to you during such period under any disability benefit plan of the Company. If you are unable to return to work after twelve (12) weeks of disability, the Company may terminate your employment, upon notice to you. If any question shall arise as to whether you are disabled to the extent that you are unable to perform

substantially all of your duties and responsibilities for the Company and its Affiliates, you shall, at the Company's request, submit to a medical examination by a physician selected by the Company to whom you or your guardian, if any, has no reasonable objection to determine whether you are so disabled, and such determination shall for purposes of this Agreement be conclusive of the issue. If such a question arises and you fail to submit to the requested medical examination, the Company's determination of the issue shall be binding on you.

5. Other Matters Related to Termination.

(a) Final Compensation . In the event of termination of your employment with the Company, howsoever occurring, the Company shall pay you (i) your Base Salary for the final payroll period of your employment, through the date your employment terminates; (ii) compensation at the rate of your Base Salary for any vacation time earned but not used as of the date your employment terminates; (iii) any annual bonus awarded but not yet paid for the bonus year preceding the year in which termination occurs; and (iv) reimbursement for business expenses incurred by you but not yet paid to you as of the date your employment terminates; provided you submit all expenses and supporting documentation required within sixty (60) days of the date your employment terminates, and provided further that such expenses are reimbursable under Company policies as then in effect (all of the foregoing, "Final Compensation").

(b) Severance Payments . In the event of the termination of your employment pursuant to Section 4(b) or Section 4(c) hereof, the Company will pay you, in addition to Final Compensation, your Base Salary for the period of twelve (12) months following the date of such termination ("Severance Payments"). Any obligation of the Company to provide you the Severance Payments is conditioned on your signing and returning to the Company a timely and effective separation agreement containing a release of claims and other customary terms in the form provided to you by the Company at the time your employment is terminated (the "Separation Agreement"). The Separation Agreement must become effective, if at all, by the sixtieth (60th) calendar day following the date your employment is terminated. Any Severance Payments to which you are entitled will be provided in the form of salary continuation, payable in accordance with the normal payroll practices of the Company. Subject to Section 6(a), the first payment will be made on the Company's next regular payday following the expiration of sixty (60) calendar days from the date of termination; but that first payment shall be retroactive to the date of termination.

(c) Benefits Termination . Except for any right you may have under COBRA to continue participation in the Company's group health and dental plans at your cost, your participation in all employee benefit plans shall terminate in accordance with the terms of the applicable benefit plans based on the date of termination of your employment, without regard to any payment of Severance Payments or other payment to you following termination and you shall not be eligible to earn vacation or other paid time off following the termination of your employment.

(d) Survival . Provisions of this Agreement shall survive any termination of employment if so provided in this Agreement or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation your obligations under Section 3 of this Agreement. The obligation of the Company to make payments to you under Section 5(b), and your right to retain the same, are expressly conditioned upon your continued full performance of your obligations under Section 3 hereof. Upon termination by either you or the Company, all rights, duties and obligations of you and the Company to each other shall cease, except as otherwise expressly provided in this Agreement.

6. Timing of Payments and Section 409A.

(a) Notwithstanding anything to the contrary in this Agreement, if at the time your employment terminates, you are a “specified employee,” as defined below, any and all amounts payable under this Agreement on account of such separation from service that would (but for this provision) be payable within 6 months following the date of termination, shall instead be paid on the next business day following the expiration of such 6 month period or, if earlier, upon your death; except (A) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Treasury regulation Section 1.409A-1(b) (including without limitation by reason of the safe harbor set forth in Section 1.409A-1(b)(9)(iii), as determined by the Company in its reasonable good faith discretion); (B) benefits which qualify as excepted welfare benefits pursuant to Treasury regulation Section 1.409A-1(a)(5); or (C) other amounts or benefits that are not subject to the requirements of Section 409A of the Internal Revenue Code of 1986, as amended.

(b) For purposes of this Agreement, all references to “termination of employment” and correlative phrases shall be construed to require a “separation from service” (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein), and the term “specified employee” means an individual determined by the Company to be a specified employee under Treasury regulation Section 1.409A-1(i).

(c) Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments.

7. Definitions. For purposes of this Agreement, the following definitions apply:

“ Affiliates ” means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, equity interest or otherwise.

“ Confidential Information ” means any and all information of the Company and its Affiliates that is not generally available to the public. Confidential Information also includes any information received by the Company or any of its Affiliates from any Person with any understanding, express or implied, that it will not be disclosed. Confidential Information does not include information that enters the public domain, other than through your breach of your obligations under this Agreement.

“ **Intellectual Property** ” means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by you (whether alone or with others, whether or not during normal business hours or on or off Company premises) during your employment that relate either to the business of the Company or to any prospective activity of the Company or any of its Affiliates or that result from any work performed by you for the Company or any of its Affiliates or that make use of Confidential Information or any of the equipment or facilities of the Company or any of its Affiliates.

“ **Person** ” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust or any other entity or organization, other than the Company or any of its Affiliates.

8. Conflicting Agreements. You hereby represent and warrant that your signing of this Agreement and the performance of your obligations under it will not breach or be in conflict with any other agreement to which you are a party or are bound, and that you are not now subject to any covenants against competition or similar covenants or any court order that could affect the performance of your obligations under this Agreement. You agree that you will not disclose to or use on behalf of the Company any confidential or proprietary information of a third party without that party’s consent.

9. Tax Treatment. You will be treated as a partner for tax purposes with respect to all compensation and employee benefits provided hereunder. You hereby acknowledge that you will be solely responsible for satisfying any tax liability with respect to such compensation and benefits, including without limitation self-employment taxes. The Company will provide you with an additional payment to approximately offset the additional costs related to such tax treatment, in an amount determined by the Board in good faith.

10. Conditions to Offer of Employment. This offer of employment is conditioned on your satisfactory completion of a reference check and a background check. A copy of the background check authorization form is enclosed. You must sign and return the authorization form to the Company at the time that you sign and return this Agreement.

11. Assignment. Neither you nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, the Company may assign its rights and obligations under this Agreement without your consent to one of its Affiliates or to any Person with whom the Company shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets. This Agreement shall inure to the benefit of and be binding upon you and the Company, and each of our respective successors, executors, administrators, heirs and permitted assigns.

12. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13. Miscellaneous. This Agreement sets forth the entire agreement between you and the Company, and replaces all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the terms and conditions of your employment. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by you and an expressly authorized representative of the Board. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. This is a New Hampshire contract and shall be governed and construed in accordance with the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof. In the event of any alleged breach or threatened breach of this Agreement, the parties agree to submit to the exclusive jurisdiction of the federal and state courts in and of the State of New Hampshire.

14. Notices. Any notices provided for in this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, and addressed to you at your last known address on the books of the Company or, in the case of the Company, to it at its principal place of business, attention of the Chair of the Board, or to such other address as either party may specify by notice to the other actually received.

[Remainder of page intentionally left blank]

www.planetfitness.com

If the foregoing is acceptable to you, please sign this letter in the space provided and return it to me by July 2, 2013. At the time you sign and return it, this letter will take effect as a binding agreement between you and the Company on the basis set forth above. The enclosed copy is for your records.

Sincerely yours,
PLA-FIT FRANCHISE, LLC

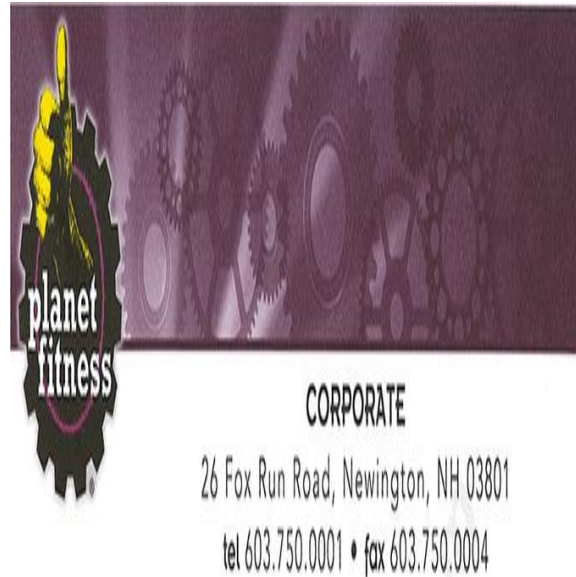
By: /s/ Christopher Rondeau
Christopher Rondeau
Chief Executive Officer

Accepted and Agreed:

Signature: /s/ Dorvin Lively
Dorvin Lively

Date: 7-2-13

www.planetfitness.com



July 23, 2012

Richard Moore, Esquire
42 Holbrook Street
Jamaica Plain, MA 02130

Dear Richard:

This letter (the “Agreement”) will confirm our offer to you of employment with Planet Fitness Holdings, LLC (the “Company”), under the terms and conditions that follow.

1. Position and Duties.

(a) Commencing July 25, 2012 you will be employed by the Company, on a full-time basis, as its Executive Vice President and General Counsel (“General Counsel”). In addition, you may be asked from time to time to serve as a director or officer of one or more of the Company’s Affiliates, without further compensation.

(b) You agree to perform the duties of your position and such other duties as may reasonably be assigned to you from time to time. You also agree that, while employed by the Company, you will devote your full business time and your best efforts, business judgment, skill and knowledge exclusively to the advancement of the business interests of the Company and its Affiliates and to the discharge of your duties and responsibilities for them.

2. Compensation and Benefits. During your employment, as compensation for all services performed by you for the Company and its Affiliates and subject to your full performance of your obligations hereunder, the Company will provide you the following pay and benefits:

(a) Base Salary . The Company will pay you a base salary payable in accordance with the regular payroll practices of the Company and subject to increase from time to time by the Board of Managers of the Company (the “Board”) in its discretion (as adjusted, from time to time, the “Base Salary”). The Base Salary will initially be paid at the annual rate of \$250,000 per year. It is expected that the rate of the Base Salary will increase to \$265,000 per year commencing August 1, 2013, subject to approval by the Board on or before such date. It is expected that the rate of the Base Salary will increase to \$280,000 per year commencing August 1, 2014, subject to approval by the Board on or before such date.

www.planetfitness.com

(b) Bonus Compensation . For each fiscal year completed during your employment under this Agreement, you will be eligible to earn an annual bonus. Your target bonus will be between 25% of your Base Salary and 50% of your Base Salary, with the actual amount of any such bonus being determined by the Board in its discretion, based on your performance and that of the Company against goals established by the Board after consultation with you. Annual bonuses will be payable within two and one half months following the close of the year for which the bonus is earned.

(c) Equity Compensation . You will be eligible to participate in any equity incentive or phantom equity plan or program established by the Company at a level consistent with your position in the Company. The Company will use good-faith efforts to establish such a plan or program.

(d) Participation in Employee Benefit Plans . You will be entitled to participate in all employee benefit plans from time to time in effect for senior executives of the Company generally, except to the extent such plans are duplicative of benefits otherwise provided you under this Agreement (e.g., a severance pay plan). Your participation will be subject to the terms of the applicable plan documents and generally applicable Company policies.

(e) Vacations . You will be entitled to earn up to twenty (20) days of vacation per year, in addition to holidays observed by the Company. Vacation may be taken at such times and intervals as you shall determine, subject to the business needs of the Company. You may carry a maximum of 7 days of unused vacation to the next calendar year. Vacation shall otherwise be subject to the policies of the Company, as in effect from time to time.

(f) Business Expenses . The Company will pay or reimburse you for all reasonable business expenses incurred or paid by you in the performance of your duties and responsibilities for the Company, subject to any maximum annual limit and other restrictions on such expenses set by the Company and to such reasonable substantiation and documentation as may be specified from time to time. Such expenses shall include (i) annual fees related to maintaining your license to practice law, (ii) fees related to the business use of your cellular telephone and (iii) reasonable expenses related to establishing and maintaining a home office.

(g) COBRA Continuation Costs . The Company will reimburse you up to \$780/month for your actual costs incurred in maintaining group health insurance coverage from your former employer until you become eligible for coverage under the group health plans of the Company.

(h) D&O Liability Insurance . The Company will use commercially reasonable efforts to maintain directors' and officers' liability insurance in a coverage amount not less than that in effect as of the first date of your employment hereunder. The coverage under any such policy shall be subject to the terms and conditions thereof.

3. Confidential Information and Restricted Activities.

(a) Confidential Information . During the course of your employment with the Company, you will learn of Confidential Information, as defined below, and you may develop Confidential Information on behalf of the Company and its Affiliates. You agree that you will not use or disclose to any Person (except as required by applicable law or for the proper performance of your regular duties and responsibilities for the Company) any Confidential Information obtained by you incident to your employment or any other association with the Company or any of its Affiliates. You agree that this restriction shall continue to apply after your employment terminates, regardless of the reason for such termination. Nothing herein shall be construed to modify in any way your obligation to maintain attorney/client confidences, and the Company does not hereby waive any attorney/client privilege.

(b) Protection of Documents . All documents, records and files, in any media of whatever kind and description, relating to the business, present or otherwise, of the Company or any of its Affiliates, and any copies, in whole or in part, thereof (the “Documents”), whether or not prepared by you, shall be the sole and exclusive property of the Company. You agree to safeguard all Documents and to surrender to the Company, at the time your employment terminates or at such earlier time or times as the Board or its designee may specify, all Documents then in your possession or control.

(c) Assignment of Rights to Intellectual Property . You shall promptly and fully disclose all Intellectual Property to the Company. You hereby assign and agree to assign to the Company (or as otherwise directed by the Company) your full right, title and interest in and to all Intellectual Property. You agree to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. You will not charge the Company for time spent in complying with these obligations. All copyrightable works that you create during your employment shall be considered “work made for hire” and shall, upon creation, be owned exclusively by the Company.

(d) Restricted Activities . You agree that the following restrictions on your activities during and after your employment are necessary to protect the good will, Confidential Information, trade secrets and other legitimate interests of the Company and its Affiliates:

(i) While you are employed by the Company and during the two (2) year period immediately following termination of your employment, regardless of the reason therefor (in the aggregate, the “Restricted Period”), you shall not, except as it constitutes the practice of law, directly or indirectly, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete with the Company or any of its Affiliates in any geographic area in which the Company does business or undertake any planning for any business competitive with the Company or any of its Affiliates. Specifically, but without limiting the foregoing, you agree not to work or provide services, in any capacity other than the practice of law, whether as an employee, independent contractor or otherwise, whether with or without compensation, to any Person that is engaged in any business that is competitive with the business of the Company or its Affiliates, as conducted or in planning during your employment with the Company.

(ii) During the Restricted Period, you will not directly or indirectly (a) solicit or encourage any customer of the Company or any of its Affiliates to terminate or diminish its relationship with them; or (b) seek to persuade any such customer or prospective customer of the Company or any of its Affiliates to conduct with anyone else any business or activity which such customer or prospective customer conducts or could conduct with the Company or any of its Affiliates; provided, however, that these restrictions shall apply (y) only with respect to those Persons who are or have been a customer of the Company or any of its Affiliates at any time within the immediately preceding two year period or whose business has been solicited on behalf of the Company or any of the Affiliates by any of their officers, employees or agents within said two year period, other than by form letter, blanket mailing or published advertisement, and (z) only if you have performed work for such Person during your employment with the Company or one of its Affiliates or been introduced to, or otherwise had contact with, such Person as a result of your employment or other associations with the Company or one of its Affiliates or has had access to Confidential Information which would assist in your solicitation of such Person.

(iii) During the Restricted Period, you will not, and will not assist any other Person to, (a) hire or solicit for hiring any employee of the Company or any of its Affiliates or seek to persuade any employee of the Company or any of its Affiliates to discontinue employment or (b) solicit or encourage any independent contractor providing services to the Company or any of its Affiliates to terminate or diminish its relationship with them. For the purposes of this Agreement, an “employee” or an “independent contractor” of the Company or any of its Affiliates is any person who was such at any time within the preceding two years.

(e) In signing this Agreement, you give the Company assurance that you have carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on you under this Section 3. You agree without reservation that these restraints are necessary for the reasonable and proper protection of the Company and its Affiliates, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. You further agree that, were you to breach any of the covenants contained in this Section 3, the damage to the Company and its Affiliates would be irreparable. You therefore agree that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by you of any of those covenants, without having to post bond together with an award of its reasonable attorney’s fees incurred in enforcing its rights hereunder. So that the Company may enjoy the full benefit of the covenants contained in this Section 3, you further agree that the Restricted Period shall be tolled, and shall not run, during the period of any breach by you of any of the covenants contained in this Section 3. You and the Company further agree that, in the event that any provision of this Section 3 is determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a

geographic area or too great a range of activities, that provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. It is also agreed that each of the Company's Affiliates shall have the right to enforce all of your obligations to that Affiliate under this Agreement, including without limitation pursuant to this Section 3. Finally, no claimed breach of this Agreement or other violation of law attributed to the Company shall operate to excuse you from the performance of your obligations under this Section 3.

4. Termination of Employment. Your employment under this Agreement shall continue until terminated pursuant to this Section 4.

(a) By the Company For Cause . The Company may terminate your employment for Cause upon notice to you setting forth in reasonable detail the nature of the cause. The following, as determined by the Board in its reasonable judgment, shall constitute Cause for termination:

(i) your substantial failure to perform (other than by reason of disability), or gross negligence in the performance of, your duties and responsibilities to the Company or any of its Affiliates, which failure or neglect, if susceptible of cure, remains uncured or continues or recurs more than 10 business days after delivery of written notice from the Company setting out the nature of such failure or neglect;

(ii) your material breach of this Agreement or any other agreement between you and the Company or any of its Affiliates, where such breach, if susceptible of cure, remains uncured or continues or recurs more than 10 business days after delivery of written notice from the Company setting out the nature of such failure or negligence or recurs after once being cured; or

(iii) your commission of a felony or other crime involving moral turpitude;

(iv) other conduct by you that is or could reasonably be expected to be harmful to the business interests or reputation of the Company or any of its Affiliates.

(b) By the Company Without Cause . The Company may terminate your employment at any time other than for Cause upon notice to you.

(c) Resignation by You for Good Reason . You may terminate your employment hereunder for Good Reason by (i) providing notice to the Company specifying in reasonable detail the condition giving rise to the Good Reason no later than the 30th day following the occurrence of that condition; (ii) providing the Company a period of 30 days to remedy the condition and so specifying in the notice; and (iii) terminating your employment within 30 days following the expiration of the period to remedy if the Company fails to remedy the condition. The following, if occurring without your consent, shall constitute "Good Reason" for termination of your employment by you:

(i) material diminution in the nature or scope of the Executive's duties, authority and/or responsibilities that, taken as a whole, effectively constitutes a demotion; provided, however, that the Company's failure to continue the Executive's appointment or election as a director or officer of any of its Affiliates shall not constitute Good Reason; or

(ii) a material reduction in Base Salary.

(d) Resignation by You Without Good Reason . You may terminate your employment at any time upon 60 days' notice to the Company. The Board may elect to waive such notice period or any portion thereof; but in that event, the Company shall pay you your Base Salary for that portion of the notice period so waived.

(e) Death and Disability . Your employment hereunder shall automatically terminate in the event of your death during employment. In the event you become disabled during employment and, as a result, are unable to continue to perform substantially all of your duties and responsibilities under this Agreement, either with or without reasonable accommodation, the Company will continue to pay you your Base Salary and to provide you benefits in accordance with Section 2(d) above, to the extent permitted by plan terms, for up to twelve (12) weeks of disability during any period of three hundred and sixty-five (365) consecutive calendar days; provided, that any Base Salary payable during such period shall be reduced by the amount of any benefits payable to you during such period under any disability benefit plan of the Company. If you are unable to return to work after twelve (12) weeks of disability, the Company may terminate your employment, upon notice to you. If any question shall arise as to whether you are disabled to the extent that you are unable to perform substantially all of your duties and responsibilities for the Company and its Affiliates, you shall, at the Company's request, submit to a medical examination by a physician selected by the Company to whom you or your guardian, if any, has no reasonable objection to determine whether you are so disabled, and such determination shall for purposes of this Agreement be conclusive of the issue. If such a question arises and you fail to submit to the requested medical examination, the Company's determination of the issue shall be binding on you.

5. Other Matters Related to Termination.

(a) Final Compensation . In the event of termination of your employment with the Company, howsoever occurring, the Company shall pay you (i) your Base Salary for the final payroll period of your employment, through the date your employment terminates; (ii) compensation at the rate of your Base Salary for any vacation time earned but not used as of the date your employment terminates; (iii) any bonus awarded but not yet paid for the bonus year preceding the year in which termination occurs; and (iv) reimbursement for business expenses incurred by you but not yet paid to you as of the date your employment terminates; provided you submit all expenses and supporting documentation required within 60 days of the date your employment terminates, and provided further that such expenses are reimbursable under Company policies as then in effect (all of the foregoing, "Final Compensation").

(b) Severance Payments . In the event of your Separation from Service in connection with any termination of your employment pursuant to Section 4(b) or Section 4(c) above, in addition to Final Compensation, for a period of between 1 and 6 months (to be determined at the time of such Separation From Service by good-faith negotiation between the

parties with reference to severance amounts typically paid to similarly-situated executives in businesses of similar size) following the date of termination, the Company will pay you (i) your Base Salary plus (ii) an amount equal to the Company's monthly share of the premium payments for your participation in the group health insurance plans of the Company as of immediately prior to the date of termination (the "Severance Payments").

(c) Conditions To And Timing Of Severance Payments . Any obligation of the Company to provide you the Severance Payments is conditioned, however, on your signing and returning to the Company a timely and effective separation agreement containing a release of claims and other customary terms in the form provided to you by the Company at the time your employment is terminated (the "Separation Agreement"). The Separation Agreement must become effective, if at all, by the 60th calendar day following the date your employment is terminated. Any Severance Payments to which you are entitled will be provided in the form of salary continuation, payable in accordance with the normal payroll practices of the Company. The first payment will be made on the Company's next regular pay-day following the expiration of 60 calendar days from the date of termination; but that first payment shall be retroactive to the date of termination.

(d) Benefits Termination . Except for any right you may have under the federal law known as "COBRA" to continue participation in the Company's group health and dental plans at your cost, your participation in all employee benefit plans shall terminate in accordance with the terms of the applicable benefit plans based on the date of termination of your employment, without regard to any payment of Severance Payments or other payment to you following termination and you shall not be eligible to earn vacation or other paid time off following the termination of your employment.

(e) Survival . Provisions of this Agreement shall survive any termination of employment if so provided in this Agreement or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation your obligations under Section 3 of this Agreement. The obligation of the Company to make payments to you under Section 5(b) is expressly conditioned upon your continued full performance of your obligations under Section 3 hereof. Upon termination by either you or the Company, all rights, duties and obligations of you and the Company to each other shall cease, except as otherwise expressly provided in this Agreement.

6. Timing of Payments and Section 409A.

(a) Notwithstanding anything to the contrary in this Agreement, if at the time your employment terminates, the Executive is a "specified employee," as defined below, any and all amounts payable under this Agreement on account of such separation from service that would (but for this provision) be payable within 6 months following the date of termination, shall instead be paid on the next business day following the expiration of such 6 month period or, if earlier, upon the Executive's death; except (A) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Treasury regulation Section 1.409A-1(b) (including without limitation by reason of the safe harbor set forth in Section 1.409A-1(b)(9)(iii),

as determined by the Company in its reasonable good faith discretion); (B) benefits which qualify as excepted welfare benefits pursuant to Treasury regulation Section 1.409A-1(a)(5); or (C) other amounts or benefits that are not subject to the requirements of Section 409A.

(b) For purposes of this Agreement, all references to “termination of employment” and correlative phrases shall be construed to require a “separation from service” (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein), and the term “specified employee” means an individual determined by the Company to be a specified employee under Treasury regulation Section 1.409A-1(i).

(c) Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments.

(d) Your right to in-kind payment or reimbursement for business expenses hereunder shall be subject to the following additional rules: (i) the amount of expenses eligible for reimbursement during any calendar year shall not affect the expenses eligible for reimbursement in any other taxable year, (ii) reimbursement shall be made not later than December 31 of the calendar year following the calendar year in which the expense was incurred, and (iii) the right to in-kind payment or reimbursement is not subject to liquidation or exchange for any other benefit.

7. **Definitions.** For purposes of this Agreement, the following definitions apply:

“ Affiliates ” means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, equity interest or otherwise.

“ Confidential Information ” means any and all information of the Company and its Affiliates that is not generally available to the public. Confidential Information also includes any information received by the Company or any of its Affiliates from any Person with any understanding, express or implied, that it will not be disclosed. Confidential Information does not include information that enters the public domain, other than through your breach of your obligations under this Agreement.

“ Intellectual Property ” means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by you (whether alone or with others, whether or not during normal business hours or on or off Company premises) during your employment that relate either to the business of the Company or to any prospective activity of the Company or any of its Affiliates or that result from any work performed by the Executive for the Company or any of its Affiliates or that make use of Confidential Information or any of the equipment or facilities of the Company or any of its Affiliates.

“ Person ” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust or any other entity or organization, other than the Company or any of its Affiliates.

8. Conflicting Agreements. You hereby represent and warrant that your signing of this Agreement and the performance of your obligations under it will not breach or be in conflict with any other agreement to which you are a party or are bound, and that you are not now subject to any covenants against competition or similar covenants or any court order that could affect the performance of your obligations under this Agreement. You agree that you will not disclose to or use on behalf of the Company any confidential or proprietary information of a third party without that party’s consent.

9. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

10. Assignment. Neither you nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, the Company may assign its rights and obligations under this Agreement without your consent to one of its Affiliates or to any Person with whom the Company shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets. This Agreement shall inure to the benefit of and be binding upon you and the Company, and each of our respective successors, executors, administrators, heirs and permitted assigns.

11. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

12. Miscellaneous. This Agreement sets forth the entire agreement between you and the Company, and replaces all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the terms and conditions of your employment. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by you and an expressly authorized representative of the Board. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. This is a New Hampshire contract and shall be governed and construed in accordance with the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof.

Richard Moore, Esquire

Page 10

July 23, 2012

13. **Notices.** Any notices provided for in this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, and addressed to you at your last known address on the books of the Company or, in the case of the Company, to it at its principal place of business, attention of the Chair of the Board, or to such other address as either party may specify by notice to the other actually received.

If the foregoing is acceptable to you, please sign this letter in the space provided and return it to me. At the time you sign and return it, this letter will take effect as a binding agreement between you and the Company on the basis set forth above. The enclosed copy is for your records.

Sincerely yours,

/s/ Michael Grondahl

Michael Grondahl

Chief Executive Officer

Accepted and Agreed:

/s/ Richard Moore

Richard Moore

Date: July 23, 2012

www.planetfitness.com

Approved April 30, 2013

PLA-FIT HOLDINGS, LLC**2013 EQUITY INCENTIVE PLAN**

1. Defined Terms . Exhibit A, which is incorporated by reference, defines the terms used in the Plan and sets forth operational rules related to those terms.

2. Purpose . The Plan has been established to advance the interests of the Company and its Affiliates by providing for the grant to Participants of interests in the Company in the form of Class M Units. Notwithstanding anything to the contrary in any document, it is intended that all Class M Units issued pursuant to this Plan qualify as “profits interests” of the Partnership under Revenue Procedure 93-27, I.R.B. 1993-24, June 9, 1993 and Revenue Procedure 2001-43, I.R.B. 2001-34, August 2, 2001 and this Plan and the LLC Agreement shall be interpreted and applied consistently therewith.

3. Administration . The Administrator has discretionary authority, subject only to the express provisions of the Plan and the Award Agreements, to interpret the Plan; determine eligibility for and grant Awards; determine, modify or waive the terms and conditions of any Award; prescribe forms, rules and procedures; and otherwise do all things necessary to carry out the purposes of the Plan. All determinations of the Administrator made with respect to the Plan or its operation are conclusive and bind all Participants.

4. Maximum Number of Units Subject to Plan . A maximum number of 526.316 Class M Units will be available for grant under the Plan. Upon and following the grant of the maximum number of Class M Units available under the Plan, no further Class M Units will be granted to any Participants except to the extent that Class M Units are made available again for grant under the Plan on account of a (i) forfeiture of such Class M Units by a Participant or (ii) duly authorized increase in the number of available Class M Units for grant hereunder.

5. Eligibility and Participation . The Administrator, in its sole discretion, will select Participants from among those key employees and directors of, and consultants and advisors to, the Company or its Affiliates who, in the opinion of the Administrator, are in a position to make a significant contribution to the success of the Company and its Affiliates.

6. Rules Applicable To Awards .

(a) Award Provisions . The Administrator will determine the terms of all Awards, subject to the limitations provided herein, and shall furnish to each Participant an Award Agreement setting forth the terms applicable to the Participant’s Award. By entering into an Award Agreement, the Participant agrees to the terms of the Award and of the Plan. Initially, unless the Administrator determines otherwise, Awards granted under the Plan will be evidenced by grant documentation substantially in the form attached hereto as Exhibit B.

(b) Transferability . All Awards are non-transferable, except as is permitted under the LLC Agreement.

7. Vesting, Etc. A Participant's Award will vest on the terms and conditions set forth in such Participant's Award Agreement.

8. Adjustments . If prior to a Company Sale, there occurs any event or transaction that would result in the dilution or enlargement of the rights of Participants under the Plan in a manner other than as intended by the Administrator, the Administrator may make such adjustments to the Plan and/or Awards as it determines, in its sole discretion, are appropriate in order to avoid such unintended dilution or enlargement, including, without limitation, any necessary adjustments to the number of Class M Units awarded. For the avoidance of doubt, neither the existence of the Plan nor the grant of any Awards shall in any way affect the right or power of the Company or any Affiliate to make or authorize any adjustment, recapitalization, reorganization, change of legal entity type or other change in the Company's or such Affiliate's structure or business, in such entity's sole discretion (a "Corporate Change"). In the event of any Corporate Change, in addition to the adjustments contemplated above in this Section 8, the Administrator, in its sole discretion, may provide, in substitution for any or all outstanding Awards, such alternative consideration as it, in good faith, may determine to be equitable under the circumstances and may require in connection therewith the surrender of all Awards so replaced.

9. Taxes . The Administrator may make such provision for the withholding of taxes as it deems necessary and any payment to a Participant will be conditioned upon the full satisfaction of such withholding requirements. Each Participant who is a U.S. taxpayer agrees that, within thirty days of the date of grant of the Award, the Participant will make a so-called "83(b) Election" by filing such election form with the appropriate office of the Internal Revenue Service and shall provide a copy of such election to the Administrator.

10. Rights Limited . Nothing in the Plan will be construed as giving any Person the right to continued Employment with the Company or its Affiliates. The loss of potential appreciation in Awards will not constitute an element of damages in the event of termination of Employment for any reason, even if the termination is in violation of an obligation of the Company or its Affiliate to the Participant.

11. Section 409A . Awards under the Plan are intended to be exempt from the rules of Section 409A and such Awards shall be construed accordingly. Granted Awards may be modified at any time, in the Administrator's discretion, so as to increase the likelihood of exemption from or compliance with the rules of Section 409A, provided that, unless contemplated by Section 8 of the Plan, no such amendment shall decrease the number of Class M Units subject to a Participant's Award without the Participant's consent.

12. Payment of Awards . Participants will receive payments with respect to their Class M Units, if any, in accordance with the terms of the LLC Agreement.

13. Amendment and Termination . The Administrator may at any time or times amend the Plan for any purpose which may at the time be permitted by law, and may at any time terminate the Plan as to any future grants of Awards; provided , that except as otherwise

expressly provided in the Plan the Administrator may not, without the Participant's consent, alter the terms of an Award so as to affect materially adversely the Participant's rights under the Award in any material respect, except to the extent the Administrator expressly reserved the right to do so in this Plan or at the time of the Award. The Plan and all Awards hereunder shall terminate on the ten year anniversary of the Effective Date.

14. Other Compensation Arrangements . The existence of the Plan or the grant of any Award will not in any way affect the right of the Company or an Affiliate to award a Person bonuses or other compensation in addition to Awards under the Plan.

15. Miscellaneous .

(a) Waiver of Jury Trial . By accepting an Award under the Plan, each Participant waives any right to a trial by jury in any action, proceeding or counterclaim concerning any rights under the Plan and any Award, or under any amendment, waiver, consent, instrument, document or other agreement delivered or which in the future may be delivered in connection therewith, and agrees that any such action, proceedings or counterclaim shall be tried before a court and not before a jury. By accepting an Award under the Plan, each Participant certifies that no officer, representative, or attorney of the Company or any Affiliate has represented, expressly or otherwise, that the Company would not, in the event of any action, proceeding or counterclaim, seek to enforce the foregoing waivers.

(b) Limitation of Liability . Notwithstanding anything to the contrary in the Plan, neither the Company nor the Administrator, nor any Person acting on behalf of the Company or the Administrator, shall be liable to any Participant or to the estate or beneficiary of any Participant by reason of any acceleration of income, any additional tax, or any other tax or liability asserted by reason of the failure of an Award to satisfy the requirements of Section 409A, by reason of Section 4999 of the Code, or by reason of the failure of any Class M Unit to be treated or qualify as a profits interest.

(c) Indemnification . To the fullest extent permitted by law, the members of Board of Managers and the Administrator shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such Person in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to this Plan. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

16. Governing Law . Except as otherwise provided by the express terms of an Award Agreement, the provisions of the Plan and of Awards under the Plan shall be governed by and interpreted in accordance with the laws of the State of Delaware.

17. Entire Agreement . This Plan, the Award Agreements and the LLC Agreement constitute the entire agreement with respect to the subject matter hereof and thereof, provided that in the event of any inconsistency between this Plan and the Award Agreement, the terms and

conditions of the Award Agreement shall control. In the event of any inconsistency between the LLC Agreement and the Plan or an Award Agreement, the LLC Agreement shall control. Notwithstanding anything to the contrary in any agreement, all parties hereto agree that any holder of a Class M Unit shall be treated as an owner of the Company for tax purposes.

EXHIBIT A

Definitions of Terms

The following terms, when used in the Plan, will have the meanings and be subject to the provisions set forth below:

“ Administrator ” means the compensation committee of the Board of Managers (or if one has not been formed by the Board of Managers, then the Board of Managers). The Administrator may delegate ministerial tasks to any Persons as it deems appropriate.

“ Affiliate ” means all Persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority or equity interest.

“ Award ” means an award of Class M Units under the Plan.

“ Award Agreement ” means a written agreement between the Company and the Participant evidencing an Award.

“ Board of Managers ” or “ Board ” means the Board of Managers of the Company.

“ Class M Unit ” means a Class M Common Unit, as defined in the LLC Agreement.

“ Code ” means the U.S. Internal Revenue Code of 1986 as from time to time amended and in effect, or any successor statute as from time to time in effect. For the avoidance of doubt, any reference to any section of the Code includes reference to any regulations (including proposed or temporary regulations) promulgated under that section and any IRS guidance thereunder.

“ Company ” means Pla-Fit Holdings, LLC, a Delaware limited liability company.

“ Company Sale ” shall mean (i) the sale of all or substantially all of the Company’s and its subsidiaries’ assets, taken as a whole, to any Person (other than one of the members or any Affiliate of any member) or (ii) any other transaction, whether by sale of equity interests, sale of assets, merger, recapitalization, reorganization or otherwise, pursuant to which one or more related Persons (other than one of the members of the Company or any of its respective Affiliates) shall own, directly or indirectly, in excess of 50% of the LLC Interests, in each case in a single transaction or series of related transactions, but excluding a sale of equity interests to unrelated Persons on a public market.

“ Effective Date ” means the date of adoption of this Plan by the Board of Managers.

“ Employee ” means any Person who is employed by the Company or an Affiliate.

“ Employment ” means a Participant’s employment or other service relationship with the Company and its Affiliates. Unless the Administrator provides otherwise, a Participant who receives an Award in his or her capacity as an Employee will be deemed to cease Employment

when the employee-employer relationship with the Company and its Affiliates ceases and a Participant who receives an Award in any other capacity will be deemed to continue Employment so long as the Participant is providing substantial services in a capacity and to an entity described in Section 5. If a Participant's relationship is with an Affiliate and that entity ceases to be an Affiliate, the Participant will be deemed to cease Employment when the entity ceases to be an Affiliate unless the Participant transfers Employment to the Company or its remaining Affiliates. In any case in which payment under an Award consisting of "nonqualified deferred compensation" subject to Section 409A of the Code is intended to satisfy Section 409A(a)(2) of the Code by reason of Section 409A(a)(2)(A)(i) of the Code (pertaining to distributions in connection with a separation from service), any provision of the Award providing for payment upon a cessation of Employment shall be deemed modified (including by limiting the definition of "Affiliate" for purposes of this definition of "Employment" to those corporations or other entities that stand in a relationship to the Company that would result in the Company and such corporation or other entity being treated as part of a single employer under Section 414(b) or Section 414(c) of the Code) to the extent necessary to comply with Section 409A of the Code.

" Grant Date " means such date as set forth in each Participant's Award Agreement.

" LLC Agreement " means the Amended and Restated Limited Liability Company Agreement of the Company dated November 8, 2012, as amended from time to time.

" LLC Interests " shall mean the equity interests of the Company.

" Participant " means a Person who is granted an Award under the Plan.

" Person " means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

" Plan " means the 2013 Equity Incentive Plan, as from time to time amended and in effect.

" Section 409A " means Section 409A of the Code.

EXHIBIT B

General Grant Form

PLA-FIT HOLDINGS, LLC

CLASS M UNIT AWARD AGREEMENT

THIS AWARD AGREEMENT is made as of this day of , 201 , (the “Grant Date”) between Pla-Fit Holdings, LLC, a Delaware limited liability company (the “Company”) and the undersigned Recipient (the “Recipient”).

WHEREAS, the Company desires to grant to the Recipient an Award pursuant to the terms of the 2013 Equity Incentive Plan, as amended from time to time (the “Plan”); and

WHEREAS, the parties hereto believe that it would be in the best interests of the Company if they agree, as provided in this Agreement, on certain matters relating to confidentiality, restricted activities and the Recipient’s Award.

NOW THEREFORE, in consideration of the foregoing, in the agreements set forth below and the parties’ desire to further the interests of the Company, the parties hereby agree with each other as follows:

1. Grant . Subject to the terms set forth in this Agreement and in the Plan, including the condition that the Recipient execute Attachment C and comply with the Restrictive Covenants contained therein, the Company hereby grants to the Recipient [•] Class M Units.

2. Vesting; Repurchase Rights .

(a) Vesting

- (i) Eighty percent of the Class M Units granted pursuant to the Award shall vest in equal installments on each of the first five anniversaries of the Grant Date subject to the Recipient’s continued Employment through each applicable vesting date. Notwithstanding the preceding sentence, all Unvested Class M Units granted pursuant to the Award shall fully vest upon the occurrence of a Company Sale (as defined in the LLC Agreement) subject to the Recipient’s continued Employment through the date of such Company Sale. Upon an initial public offering of the common stock of the Company, its parent, or a subsidiary registered on a Form S-1 under the Securities Act of 1933, as amended (an “Initial Public Offering”), subject to the Recipient’s continued Employment through the date of such initial public offering the remaining twenty percent of the Class M Units granted pursuant to the award agreement shall vest.

-
- (ii) The portion of the Award which is or becomes vested in accordance with the provisions of this Agreement and not forfeited or repurchased pursuant to this Agreement is referred to as “ Vested ” for purposes of this Agreement and the Plan and the portion of the Award which has not become vested pursuant to the terms of this Agreement is referred to as “ Unvested ” for purposes of this Agreement and the Plan.
 - (iii) In the event of the termination of the Recipient’s employment for any reason (including death or disability), no additional portion of the Award will become Vested at or after the time of such termination and the Unvested portion of the Award shall immediately be forfeited for no consideration due to the Recipient. The Recipient’s retention of the Vested portion of an Award shall in all cases be conditioned upon the Recipient signing and returning to the Company (without revoking) a timely and effective release of claims in the form provided by the Company by the deadline specified therein, which in all events shall be not later than the fiftieth (50th) calendar day following the date of termination.
 - (iv) In the event the Recipient’s employment with the Company is terminated by the Company for Cause or for breach of the Restrictive Covenants, or upon the Recipient later breaching a Restrictive Covenant, the entirety of the Award granted hereunder shall automatically be forfeited without any further action or payment whether or not some or all of such Award had become Vested at the time of such termination.

(b) Repurchase Rights.

- (i) In the event that the Recipient is no longer Employed by the Company or any of its Affiliates for any reason, any then outstanding Vested Award will be subject to repurchase by the Company pursuant to the terms and conditions set forth in this Section 2(b). The Company’s right to repurchase pursuant to this Section 2(b) is referred to herein as the “ Repurchase Option ” and all or any portion of any such outstanding and Vested Award that the Company elects to repurchase hereunder, as applicable, is referred to herein individually as the “ Repurchase Award ” and collectively the “ Repurchase Awards .”
- (ii) Upon termination of the Recipient’s Employment for any reason, the Company may elect (A) at any time prior to a Company Sale or an Initial Public Offering, as applicable, to purchase the Repurchase Awards at a price per Repurchase Award equal to the lesser of its Fair Value on the date the Recipient’s Employment terminated or the date the repurchase occurs or (B) at any time on or following a Company Sale or an Initial Public Offering, as applicable, to purchase the Repurchase Awards at a

price per Repurchase Award equal to the Fair Value of such Award on the date the repurchase occurs (such amount, the “Repurchase Amount”). “Fair Value” is defined as the amount the Recipient would receive in respect of the Vested portion of his or her Award if a Company Sale were consummated on the date the Fair Value is to be determined, all as determined in good faith by the Administrator.

- (iii) The Company shall elect to exercise the Repurchase Option by delivering written notice at any time on or prior to a Company Sale (the “Repurchase Notice”) to the Recipient of the applicable Repurchase Awards. The Repurchase Notice will include (i) the Administrator’s determination of Fair Value, (ii) the resulting calculation of the Repurchase Amount and (iii) a check for the Repurchase Amount. Following such payment hereunder, the Recipient will have no further rights under this Agreement or the Plan.
- (iv) In the event that the Company has exercised the Repurchase Option pursuant to this Section 2(b) and has paid the Repurchase Amount and (a) the Recipient is not in compliance with all applicable provisions of the Award Agreement and the Plan; (b) the Recipient breaches any agreement or covenant with the Company or its Affiliates with respect to non-competition, non-solicitation or confidentiality, or (c) the Company reasonably determines that it could have terminated the Recipient’s Employment for Cause at the time the Recipient’s Employment terminated, the Recipient will be obligated to deliver to the Company, within five (5) days following notice from the Company that such amount is due, the Repurchase Amount paid by the Company for the Repurchase Awards.

3. Restrictions on Transfer . All Awards are non-transferable (other than as provided in the LLC Agreement), and in no event may the Recipient pledge, create a security interest in or lien on, or in any way encumber any Award.

4. Definitions . Certain capitalized terms are used in this Agreement with the specific meanings defined herein. Any capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan. For the purposes of this Agreement:

(a) “Cause” shall mean (i) in the case of any Recipient who is party to an employment or severance-benefit agreement that contains a definition of “Cause,” the definition set forth in such agreement for so long as such agreement is in effect or (ii) in the case of any other Recipient, “Cause” will mean (A) substantial failure to perform, or substantial negligence in the performance of the Recipient’s duties and responsibilities to the Company or any of its subsidiaries, or (B) the commission by the Recipient of a felony or other crime involving moral turpitude, or (C) the commission by the Recipient of theft, fraud, embezzlement, material breach of trust or any material act of dishonesty involving the Company or any of its Affiliates, or (D) a significant violation by the Recipient of the code of conduct of the Company or its subsidiaries or of any statutory or common law duty of loyalty to the Company or its subsidiaries.

(b) “Good Reason” shall mean “good reason” as defined in Recipient’s employment agreement with the Company, if such agreement exists and defines good reason.

(c) “LLC Agreement” means the Amended and Restated Limited Liability Company Agreement of the Company dated November 8, 2012 as amended from time to time.

(d) “Restrictive Covenant” means the restrictive covenants set forth on Attachment C.

5. 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, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

6. Binding Effect . This Agreement shall be binding upon and inure to the benefit of the Company and the Recipient and their respective heirs, executors, administrators, legal representatives, successors and assigns.

7. No Rights to Employment . Nothing contained in this Agreement shall be construed as giving the Recipient any right to be retained, in any position, as an employee or other service provider of the Company or any Affiliate thereof.

8. Election under Section 83(b) . The Recipient and the Recipient’s spouse, if applicable, shall execute and deliver to the Company with this executed Agreement, a copy of the Acknowledgment and Statement of Decision Regarding Election Pursuant to Section 83(b) of the Code (the “Acknowledgment”) substantially in the form attached hereto as Attachment A, together with a copy of the Election Pursuant to Section 83(b) of the Code, substantially in the form attached hereto as Attachment B. The Recipient should consult his or her tax advisor to determine if there is a comparable election to file in the state of his or her residence and whether such filing is desirable under the circumstances.

9. Consultation with Counsel . The Recipient hereby acknowledges and represents that he has had the opportunity to consult with independent legal counsel regarding his or her rights and obligations under this Agreement and that he or she fully understands the terms and conditions contained herein.

10. Notice . All notices required or permitted hereunder shall be in writing and deemed effectively given upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail, postage prepaid, addressed to the other party hereto at the address shown beneath his or its respective signature to this Agreement, or at such other address or addresses as either party shall designate to the other in accordance with this Section 10.

11. Unit Certificate Restrictive Legends . Certificated Units evidencing the Award, to the extent such certificates are issued, may bear such restrictive legends as the Company and/or the Company's counsel may deem necessary or advisable under applicable law or pursuant to this Agreement, including, without limitation, the following legends:

"THE UNITS OR OTHER INTERESTS REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON [DATE OF ISSUANCE], HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR APPLICABLE STATE SECURITIES LAWS ("STATE ACTS") AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR STATE ACTS OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE TRANSFER OF THE UNITS REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE CONDITIONS SPECIFIED IN AN AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT, DATED AS OF NOVEMBER 8, 2012, AS IT MAY BE AMENDED FROM TIME TO TIME, GOVERNING THE ISSUER (THE "COMPANY") AND BY AND AMONG THE MEMBERS. A COPY OF SUCH AGREEMENT SHALL BE FURNISHED BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE."

12. Pronouns . Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

13. Entire Agreement . This Agreement and Plan constitute the entire agreement between the parties, and supersedes all prior agreements and understandings, relating to the subject matter of this Agreement.

14. Amendment . This Agreement may be amended or modified only by a written instrument executed by the Company and the Recipient.

15. Governing Law . Except as expressly provided in Attachment C, this Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Delaware. In the event of any alleged breach or threatened breach of this Agreement, the parties hereby consent and submit to the jurisdiction of the federal and state courts in and of the State of Delaware and to service of legal process in the State of Delaware.

16. Power of Attorney . The Recipient hereby irrevocably constitutes and appoints each of the Company and any of its officers with full power of substitution, acting jointly or severally, as its attorney-in-fact and agent to sign, execute and deliver, in its name and on its behalf, all or any such agreement, deeds, instruments, documents and/or any counterpart thereof or certificates or to take any such action as it deems necessary from time to time or as is required under any applicable law to admit the Recipient as a member of the Company or to conduct the business of the Company, including (without limitation) the power and authority to sign, execute and deliver (or attach signature pages to) (i) the LLC Agreement and (ii) any amendment to the LLC Agreement adopted in accordance

with its terms. This power of attorney is given to secure the obligations of the Recipient hereunder and deemed coupled with an interest of the Company and is irrevocable.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement as of the day and year first above written.

PLA-FIT HOLDINGS, LLC

By: _____

Name of Recipient:

Address:

ATTACHEMENT A

ACKNOWLEDGMENT AND STATEMENT OF DECISION REGARDING ELECTION PURSUANT TO SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned (which term includes the undersigned's spouse), a Member of Pla-Fit Holdings, LLC, a Delaware Limited Liability Company (the "Company"), and Participant in the Agreement with the Partnership (the "Agreement") and a recipient of certain Units thereunder (the "Award"), hereby states, as of the date of issuance of the Award, as follows:

1. The undersigned acknowledges receipt of a copy of the Agreement. The undersigned has carefully reviewed the Agreement.
2. The undersigned either [*check as applicable*]:

(a) has consulted, and has been fully advised by, the undersigned's own tax advisor, _____, whose business address is _____, regarding the federal, state and local tax consequences of being issued the Award under the Agreement, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and pursuant to the corresponding provisions, if any, of applicable state laws; or

(b) has knowingly chosen not to consult such tax advisor.

3. The undersigned hereby states that the undersigned is making an election pursuant to Section 83(b) of the Code and is submitting to the Partnership, together with the undersigned's executed Agreement, a copy of an executed election form which is attached as Exhibit B to the Agreement.

4. Neither the Company nor a representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of the issuance of the Award to the undersigned pursuant to the Agreement or of the making or failure to make an election pursuant to Section 83(b) of the Code or corresponding provisions, if any, of applicable state law.

5. The undersigned is also submitting to the company, together with the Agreement, a copy of an executed election form, if an election is made, of the undersigned pursuant to provisions of state law corresponding to Section 83(b) of the Code, if any, which are applicable to the issuance of the Award to the undersigned pursuant to the Agreement.

Date:

Participant

Date:

Participant’s Spouse

ATTACHEMENT B

**ELECTION PURSUANT TO SECTION 83(b) OF THE
INTERNAL REVENUE CODE**

The undersigned hereby elects pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in the undersigned's gross income for the taxable year indicated below the excess (if any) of the fair market value of the property described below, over the amount the undersigned paid for such property, if any, and supplies herewith the following information in accordance with the Treasury regulations promulgated under Section 83(b):

1. The undersigned's name, address and taxpayer identification (social security) number are:

Name: _____
Address: _____
Social Security #: _____

The undersigned's spouse's name, address and taxpayer identification (social security) number are (complete if applicable):

Name: _____
Address: _____
Social Security #: _____

2. The property with respect to which the election is made consists of _____ Units (the "Award") of Pla-Fit Holdings, LLC, a Delaware Limited Liability Company (the "Company"), representing a profits interest in the Company.

3. The date on which the Award was transferred to the undersigned was _____, 2013 and the taxable year to which this election relates is 2013.

4. The Award is subject to the following restrictions: (a) [•] Units will be forfeited if the undersigned ceases to be an employee of the Partnership prior to the vesting date, and (b) 100% of the Units are subject to restrictions should the undersigned wish to transfer the Award (in whole or in part).

5. The fair market value of the Award at the time of transfer (determined without regard to any restrictions other than those which by their terms will never lapse) is \$0.

6. The amount paid for the Award by the undersigned was \$0.

7. A copy of this election has been furnished to the Company, and the original will be filed with the income tax return of the undersigned to which this election relates.

Date:

Participant

Date:

Participant's Spouse

ATTACHEMENT C

RESTRICTIVE COVENANTS

April 30, 2013

I, the undersigned, acknowledge the importance to Pla-Fit Holdings, LLC (the “Company”) and its Affiliates (as hereafter defined) of protecting their legitimate interests, including without limitation the valuable confidential information and goodwill that they have developed or acquired. Therefore, in consideration of my initial or ongoing membership on the Board of Managers of, or other service relationship with, the Company, the award granted to me under the Pla-Fit Holdings, LLC 2013 Performance Incentive Plan and my being granted access to trade secrets and other confidential information of the Company and its Affiliates, and for other good and valuable consideration, the receipt and sufficiency of which I hereby acknowledge:

1. I agree that all Confidential Information, as defined below, which I create or to which I have access as a result of my membership on the Board of Managers and other associations with the Company and its Affiliates is and shall remain the sole and exclusive property of the Company and its Affiliates. I agree that, except as required for the proper performance of my regular duties for the Company, as expressly authorized in writing in advance by an expressly authorized representative of the Company, or as required by applicable law, I will never, directly or indirectly, use or disclose any Confidential Information. I understand and agree that this restriction shall continue to apply after the termination of my relationship with the Company, howsoever caused. Further, I agree to provide prompt notice to the Company of any required disclosure of Confidential Information sought pursuant to subpoena, court order or any other legal requirement and to provide the Company a reasonable opportunity to seek protection of the Confidential Information prior to any such disclosure.

2. I agree that all documents, records and files, in any media of whatever kind and description, relating to the business, present or otherwise, of the Company or its Affiliates and any copies (including without limitation electronic), in whole or in part, thereof (“Documents” and each individually, a “Document”), whether or not prepared by me, shall be the sole and exclusive property of the Company and its Affiliates. Except as required for the proper performance of my regular duties for the Company or as expressly authorized in writing in advance by an expressly authorized representative of the Company, I will not copy any Documents or remove any Documents, or copies, from the premises of the Company or any of its Affiliates. I will safeguard, and return to the Company immediately upon termination of my relationship with the Company, and at such other times as may be specified by the Company, all Documents and all other property of the Company and its Affiliates, and all documents, records and files of their customers, subcontractors and suppliers (“Third-Party Documents” and each individually a “Third-Party Document”) and all other property of such customers, subcontractors and suppliers, then in my possession or control.

3. I shall maintain accurate and complete records of, and shall immediately and fully disclose and deliver to the Company, all Intellectual Property, as defined below. I have attached hereto as Exhibit A, a list describing all inventions, original works of authorship, developments, improvements, and trade secrets which were made by me prior to my relationship with the Company, which belong to me and which are not assigned to the Company hereunder (collectively referred to as “Prior Inventions”) and, if no such list is attached, I represent and warrant that there are no such Prior Inventions. If I incorporate into any of the Intellectual Property any Prior Inventions or any other

invention, improvement, development, concept, discovery or other proprietary information owned by me or in which I have an interest (collectively, including Prior Inventions, “Service Provider Inventions”), I hereby grant the Company an irrevocable, worldwide, fully paid-up, royalty-free, non-exclusive license, with the right to sublicense through multiple tiers, to exploit or utilize the Intellectual Property as the Company deems fit in its discretion. All copyrightable works that I create in the scope of my service relationship with the Company shall be considered “work made for hire” and shall, upon creation, be owned exclusively by the Company.

4. I hereby assign and agree in the future to assign to the Company (or as otherwise directed by the Company) my full right, title and interest in and to all Intellectual Property. I agree to provide, at the Company’s request, all further cooperation which the Company determines is necessary or desirable to accomplish the complete transfer of the Intellectual Property and all associated rights to the Company, its successors, assigns and nominees, and to ensure the Company the full enjoyment of the Intellectual Property. To the extent that I cannot assign and transfer any of my full right, title, and interest in the Intellectual Property then I hereby grant the Company and its Affiliates an irrevocable, worldwide, fully paid-up, royalty-free, exclusive license, with the right to sublicense through multiple tiers, to exploit or utilize the Intellectual Property as the Company deems fit in its discretion. I will not charge the Company or any of its Affiliates, successors, or assigns for time spent in complying with these obligations under Paragraphs 4 and 5 of this Agreement.

5. I agree that, during my service relationship with the Company and during the twelve (12) month period immediately following termination of that relationship, I will not, directly or indirectly, compete, or undertake any planning to compete, with the Company or any of its Affiliates, in any geographic area in which the Company or any of its Affiliates conduct or are actively planning to conduct their business (the “Restricted Area”), whether as an owner, partner, investor, consultant, employee or otherwise. Specifically, but without limiting the foregoing, I agree not to work or provide services, in any capacity, whether as an employee, independent contractor or otherwise, whether with or without compensation, to any Person who is engaged in any business that is competitive with the Business of the Company or any of its Affiliates for which I have provided services, as conducted or in planning during my employment, anywhere within the Restricted Area. For purposes of this agreement, the “Business of the Company” shall mean owning, franchising or operating low-price health and fitness clubs and “low-price health and fitness clubs” shall mean health and fitness clubs that charge membership fees of thirty dollars (\$30) or less per month. I understand that the foregoing shall not prevent my passive ownership of two percent (2%) or less of the equity securities of any publicly traded company.

6. I agree that, during my service relationship with the Company and during the twelve (12) month period immediately following termination of that relationship, I will not directly or indirectly (a) solicit or encourage any franchisee of the Company or any of its Affiliates to terminate or diminish its relationship with them; or (b) seek to persuade any such franchisee or prospective franchisee of the Company or any of its Affiliates to conduct with anyone else any business or activity which such franchisee or prospective franchisee conducts or could conduct with the Company or any of its Affiliates.

7. I agree that, during my service relationship with the Company and during the twelve (12) month period immediately following termination of that relationship, I will not, and will not assist anyone else to, (a) hire or solicit for hiring any employee of the Company or any of its Affiliates or seek to persuade any employee of the Company or any of its Affiliates to discontinue employment or (b) solicit or encourage any independent contractor providing services to the Company or any of its

Affiliates to terminate or diminish its relationship with them; provided, however, that these restrictions shall apply only to employees and independent contractors who have provided services to the Company at any time within the immediately preceding two year period.

8. During the twelve (12) month period immediately following the termination of my service relationship with the Company, I will notify the Company in writing of any change in my address and of each new job or other business activity in which I plan to engage at least two weeks prior to beginning such job or activity. Such notice shall state the name and address of any new employer and the nature of my position. I agree to provide the Company with such other pertinent information concerning such business activity as the Company may reasonably request in order to determine my continued compliance with my obligations under this Agreement. I agree to notify my new employers of my obligations under this Agreement and hereby consent to notification by the Company to my new employers about my obligations under this Agreement.

9. In signing this Agreement, I give the Company assurance that I have carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on me under this Agreement. I agree without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints will not prevent me from obtaining other suitable employment during the period in which I am bound by these restraints. I agree that I will never assert, or permit to be asserted on my behalf, in any forum, any position contrary to the foregoing. I also acknowledge and agree that, were I to breach any of the provisions of this Agreement, the harm to the Company and its Affiliates would be irreparable. I therefore agree that in the event of such a breach or threatened breach the Company and its Affiliates shall, in addition to any other remedies available to them, shall be entitled to preliminary and permanent injunctive relief against any such breach or threatened breach by you, without having to post bond, and will additionally be entitled to recover its reasonable attorney's fees and costs. Without limiting the generality of the foregoing, I agree that, in the event of my breach of any of the provisions of this Agreement, the Company shall have the immediate right to cause to be cancelled, rescinded, terminated, or otherwise limited or restricted, my award under the Pla-Fit Holdings, LLC 2013 Performance Incentive Plan. I further agree that, in the event that any provision of this Agreement shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. Finally, no claimed breach of contract or other violation of law attributed to the Company, or change in the nature or scope of my service relationship with the Company, shall operate to excuse me from the performance of my obligations under this Agreement.

10. For purposes of this Agreement, the following definitions apply:

"Affiliates" means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, equity interest or otherwise.

“Confidential Information” means any and all information of the Company and its Affiliates that is not generally known by others with whom the Company or any of its Affiliates competes or does business, or with whom any of them plans to compete or do business, and any and all information, publicly known in whole or in part or not, which, if disclosed by the Company or any of its Affiliates, would assist in competition against them, including but not limited to (a) all proprietary information of the Company and its Affiliates, including but not limited to the products and services, technical data, methods, processes, know-how, developments, inventions, and formulae of the Company and its Affiliates, (b) the development, research, testing, marketing and financial activities and strategic plans of the Company and its Affiliates, (c) the manner in which they operate, (d) their costs and sources of supply, (e) the identity and special needs of the customers, prospective customers and franchisees of the Company and its Affiliates, and (f) the people and organizations with whom the Company and its Affiliates have business relationships and those relationships.

“Intellectual Property” means inventions, discoveries, developments, methods, processes, compositions, works, concepts, ideas and know-how (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by me during my service relationship with the Company that relate in any way to the business, products or services of the Company or any of its Affiliates or to any prospective activity of the Company or any of its Affiliates or that result from any work performed by me for the Company or any of its Affiliates or that make use of the Confidential Information or of facilities or equipment of the Company or any of its Affiliates.

“Person” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

11. This is a New Hampshire contract and shall be governed by and construed in accordance with the laws of the State of New Hampshire, without regard to any conflict of laws principles to the contrary. In the event of any alleged breach of this Agreement, I hereby consent and submit to the jurisdiction of the federal and state courts in and of the State of New Hampshire.

12. I represent and warrant that my service relationship with the Company and the execution and performance of this Agreement will not breach or be in conflict with any other agreement to which I am a party or am bound and that I am not now subject to any covenants against competition or similar covenants or other obligation to third parties or to any court order, judgment or decree that would affect the performance of my obligations hereunder or of my duties and responsibilities to the Company and its Affiliates. I will not disclose to or use on behalf of the Company or its Affiliates, or induce the Company or any of its Affiliates to use, any proprietary information of any previous employer of mine or other third party without that party’s consent.

13. This Agreement sets forth the entire agreement between me and the Company and supersedes all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the subject matter hereof; provided, however, that this Agreement shall not terminate or supersede any additional obligations I may have pursuant to any other agreement or under applicable law with respect to confidentiality, assignment of rights to intellectual property or the like. In the event of conflict between this Agreement and any prior agreement between me and the Company, this Agreement shall govern. No marking or like change to the body of this Agreement shall be of any force or effect and this Agreement shall be interpreted as if such change had not been made. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by me and an expressly authorized officer of the Company. If any provision of this Agreement should, for any reason, be held invalid or unenforceable in any respect, it

shall not affect any other provisions, and shall be construed by limiting it so as to be enforceable to the maximum extent permissible by law. Provisions of this Agreement shall survive any termination if so provided in this Agreement or if necessary or desirable to accomplish the purpose of other surviving provisions.

14. Neither the Company nor I may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without my consent (a) in the event that I am transferred to a position with one of the Company's Affiliates or (b) in the event that the Company shall hereafter effect a reorganization, consolidate with, or merge into any Person or Affiliate or transfer to any Person or Affiliate all or substantially all of the business, properties or assets of the Company. This Agreement shall inure to the benefit of and be binding upon me and the Company, and each of our respective successors, executors, administrators, heirs, representatives and permitted assigns. I also agree that each of the Company's Affiliates shall have the right to enforce all of my obligations to that Affiliate under this Agreement.

15. I acknowledge and agree that this Agreement does not in any way restrict my right or that of the Company to terminate my service relationship with the Company at any time, with or without notice or cause. In signing this Agreement, I give the Company assurance that I have read and understood, and have had a full and reasonable opportunity to consider, its terms and to consult with any person of my choosing before signing; that I have not relied on any agreements or representations, express or implied, that are not set forth expressly in this Agreement; and that I have signed this Agreement knowingly and voluntarily.

Intending to be legally bound hereby, I have signed this Agreement as of the day and year first written above.

Signature: _____

Printed Name: _____

EXHIBIT A

LIST OF PRIOR INVENTIONS AND ORIGINAL WORKS OF AUTHORSHIP

TITLE	DATE	IDENTIFYING NUMBER OR BRIEF DESCRIPTION

_____ No inventions or improvements

_____ Additional sheets attached

Signature of Recipient (as of the date first written above): _____

General Grant Form

PLA-FIT HOLDINGS, LLC

CLASS M UNIT AWARD AGREEMENT

THIS AWARD AGREEMENT is made as of this day of , 201 , (the “Grant Date”) between Pla-Fit Holdings, LLC, a Delaware limited liability company (the “Company”) and the undersigned Recipient (the “Recipient”).

WHEREAS, the Company desires to grant to the Recipient an Award pursuant to the terms of the 2013 Equity Incentive Plan, as amended from time to time (the “Plan”); and

WHEREAS, the parties hereto believe that it would be in the best interests of the Company if they agree, as provided in this Agreement, on certain matters relating to confidentiality, restricted activities and the Recipient’s Award.

NOW THEREFORE, in consideration of the foregoing, in the agreements set forth below and the parties’ desire to further the interests of the Company, the parties hereby agree with each other as follows:

1. Grant . Subject to the terms set forth in this Agreement and in the Plan, including the condition that the Recipient execute Attachment C and comply with the Restrictive Covenants contained therein, the Company hereby grants to the Recipient [•] Class M Units.

2. Vesting; Repurchase Rights .

(a) Vesting

- (i) Eighty percent of the Class M Units granted pursuant to the Award shall vest in equal installments on each of the first five anniversaries of the Grant Date subject to the Recipient’s continued Employment through each applicable vesting date. Notwithstanding the preceding sentence, all Unvested Class M Units granted pursuant to the Award shall fully vest upon the occurrence of a Company Sale (as defined in the LLC Agreement) subject to the Recipient’s continued Employment through the date of such Company Sale. Upon an initial public offering of the common stock of the Company, its parent, or a subsidiary registered on a Form S-1 under the Securities Act of 1933, as amended (an “Initial Public Offering”), subject to the Recipient’s continued Employment through the date of such initial public offering the remaining twenty percent of the Class M Units granted pursuant to the award agreement shall vest.

-
- (ii) The portion of the Award which is or becomes vested in accordance with the provisions of this Agreement and not forfeited or repurchased pursuant to this Agreement is referred to as “ Vested ” for purposes of this Agreement and the Plan and the portion of the Award which has not become vested pursuant to the terms of this Agreement is referred to as “ Unvested ” for purposes of this Agreement and the Plan.
 - (iii) In the event of the termination of the Recipient’s employment for any reason (including death or disability), no additional portion of the Award will become Vested at or after the time of such termination and the Unvested portion of the Award shall immediately be forfeited for no consideration due to the Recipient. The Recipient’s retention of the Vested portion of an Award shall in all cases be conditioned upon the Recipient signing and returning to the Company (without revoking) a timely and effective release of claims in the form provided by the Company by the deadline specified therein, which in all events shall be not later than the fiftieth (50th) calendar day following the date of termination.
 - (iv) In the event the Recipient’s employment with the Company is terminated by the Company for Cause or for breach of the Restrictive Covenants, or upon the Recipient later breaching a Restrictive Covenant, the entirety of the Award granted hereunder shall automatically be forfeited without any further action or payment whether or not some or all of such Award had become Vested at the time of such termination.

(b) Repurchase Rights.

- (i) In the event that the Recipient is no longer Employed by the Company or any of its Affiliates for any reason, any then outstanding Vested Award will be subject to repurchase by the Company pursuant to the terms and conditions set forth in this Section 2(b). The Company’s right to repurchase pursuant to this Section 2(b) is referred to herein as the “ Repurchase Option ” and all or any portion of any such outstanding and Vested Award that the Company elects to repurchase hereunder, as applicable, is referred to herein individually as the “ Repurchase Award ” and collectively the “ Repurchase Awards .”
- (ii) Upon termination of the Recipient’s Employment for any reason, the Company may elect (A) at any time prior to a Company Sale or an Initial Public Offering, as applicable, to purchase the Repurchase Awards at a price per Repurchase Award equal to the lesser of its Fair Value on the date the Recipient’s Employment terminated or the date the repurchase occurs or (B) at any time on or following a Company Sale or an Initial Public Offering, as applicable, to purchase the Repurchase Awards at a price per Repurchase Award equal to the Fair Value of such Award on the date the repurchase occurs (such amount, the “ Repurchase Amount ”).

“ Fair Value ” is defined as the amount the Recipient would receive in respect of the Vested portion of his or her Award if a Company Sale were consummated on the date the Fair Value is to be determined, all as determined in good faith by the Administrator.

- (iii) The Company shall elect to exercise the Repurchase Option by delivering written notice at any time on or prior to a Company Sale (the “ Repurchase Notice ”) to the Recipient of the applicable Repurchase Awards. The Repurchase Notice will include (i) the Administrator’s determination of Fair Value, (ii) the resulting calculation of the Repurchase Amount and (iii) a check for the Repurchase Amount. Following such payment hereunder, the Recipient will have no further rights under this Agreement or the Plan.
- (iv) In the event that the Company has exercised the Repurchase Option pursuant to this Section 2(b) and has paid the Repurchase Amount and (a) the Recipient is not in compliance with all applicable provisions of the Award Agreement and the Plan; (b) the Recipient breaches any agreement or covenant with the Company or its Affiliates with respect to non-competition, non-solicitation or confidentiality, or (c) the Company reasonably determines that it could have terminated the Recipient’s Employment for Cause at the time the Recipient’s Employment terminated, the Recipient will be obligated to deliver to the Company, within five (5) days following notice from the Company that such amount is due, the Repurchase Amount paid by the Company for the Repurchase Awards.

3. Restrictions on Transfer . All Awards are non-transferable (other than as provided in the LLC Agreement), and in no event may the Recipient pledge, create a security interest in or lien on, or in any way encumber any Award.

4. Definitions . Certain capitalized terms are used in this Agreement with the specific meanings defined herein. Any capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan. For the purposes of this Agreement:

(a) “ Cause ” shall mean (i) in the case of any Recipient who is party to an employment or severance-benefit agreement that contains a definition of “Cause,” the definition set forth in such agreement for so long as such agreement is in effect or (ii) in the case of any other Recipient, “Cause” will mean (A) substantial failure to perform, or substantial negligence in the performance of the Recipient’s duties and responsibilities to the Company or any of its subsidiaries, or (B) the commission by the Recipient of a felony or other crime involving moral turpitude, or (C) the commission by the Recipient of theft, fraud, embezzlement, material breach of trust or any material act of dishonesty involving the Company or any of its Affiliates, or (D) a significant violation by the Recipient of the code of conduct of the Company or its subsidiaries or of any statutory or common law duty of loyalty to the Company or its subsidiaries.

(b) “ Good Reason ” shall mean “good reason” as defined in Recipient’s employment agreement with the Company, if such agreement exists and defines good reason.

(c) “ LLC Agreement ” means the Amended and Restated Limited Liability Company Agreement of the Company dated November 8, 2012 as amended from time to time.

(d) “ Restrictive Covenant ” means the restrictive covenants set forth on Attachment C.

5. 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, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

6. Binding Effect . This Agreement shall be binding upon and inure to the benefit of the Company and the Recipient and their respective heirs, executors, administrators, legal representatives, successors and assigns.

7. No Rights to Employment . Nothing contained in this Agreement shall be construed as giving the Recipient any right to be retained, in any position, as an employee or other service provider of the Company or any Affiliate thereof.

8. Election under Section 83(b) . The Recipient and the Recipient’s spouse, if applicable, shall execute and deliver to the Company with this executed Agreement, a copy of the Acknowledgment and Statement of Decision Regarding Election Pursuant to Section 83(b) of the Code (the “Acknowledgment”) substantially in the form attached hereto as Attachment A, together with a copy of the Election Pursuant to Section 83(b) of the Code, substantially in the form attached hereto as Attachment B. The Recipient should consult his or her tax advisor to determine if there is a comparable election to file in the state of his or her residence and whether such filing is desirable under the circumstances.

9. Consultation with Counsel . The Recipient hereby acknowledges and represents that he has had the opportunity to consult with independent legal counsel regarding his or her rights and obligations under this Agreement and that he or she fully understands the terms and conditions contained herein.

10. Notice . All notices required or permitted hereunder shall be in writing and deemed effectively given upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail, postage prepaid, addressed to the other party hereto at the address shown beneath his or its respective signature to this Agreement, or at such other address or addresses as either party shall designate to the other in accordance with this Section 10.

11. Unit Certificate Restrictive Legends . Certificated Units evidencing the Award, to the extent such certificates are issued, may bear such restrictive legends as the Company and/or the Company’s counsel may deem necessary or advisable under applicable law or pursuant to this Agreement, including, without limitation, the following legends:

“THE UNITS OR OTHER INTERESTS REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON [DATE OF ISSUANCE], HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR APPLICABLE STATE SECURITIES LAWS (“STATE ACTS”) AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR STATE ACTS OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE TRANSFER OF THE UNITS REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE CONDITIONS SPECIFIED IN AN AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT, DATED AS OF NOVEMBER 8, 2012, AS IT MAY BE AMENDED FROM TIME TO TIME, GOVERNING THE ISSUER (THE “COMPANY”) AND BY AND AMONG THE MEMBERS. A COPY OF SUCH AGREEMENT SHALL BE FURNISHED BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE.”

12. Pronouns . Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

13. Entire Agreement . This Agreement and Plan constitute the entire agreement between the parties, and supersedes all prior agreements and understandings, relating to the subject matter of this Agreement.

14. Amendment . This Agreement may be amended or modified only by a written instrument executed by the Company and the Recipient.

15. Governing Law . Except as expressly provided in Attachment C, this Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Delaware. In the event of any alleged breach or threatened breach of this Agreement, the parties hereby consent and submit to the jurisdiction of the federal and state courts in and of the State of Delaware and to service of legal process in the State of Delaware.

16. Power of Attorney . The Recipient hereby irrevocably constitutes and appoints each of the Company and any of its officers with full power of substitution, acting jointly or severally, as its attorney-in-fact and agent to sign, execute and deliver, in its name and on its behalf, all or any such agreement, deeds, instruments, documents and/or any counterpart thereof or certificates or to take any such action as it deems necessary from time to time or as is required under any applicable law to admit the Recipient as a member of the Company or to conduct the business of the Company, including (without limitation) the power and authority to sign, execute and deliver (or attach signature pages to) (i) the LLC Agreement and (ii) any amendment to the LLC Agreement adopted in accordance with its terms. This power of attorney is given to secure the obligations of the Recipient hereunder and deemed coupled with an interest of the Company and is irrevocable.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement as of the day and year first above written.

PLA-FIT HOLDINGS, LLC

By: _____

Name of Recipient:

Address:

ATTACHEMENT A

ACKNOWLEDGMENT AND STATEMENT OF DECISION REGARDING ELECTION PURSUANT TO SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned (which term includes the undersigned's spouse), a Member of Pla-Fit Holdings, LLC, a Delaware Limited Liability Company (the "Company"), and Participant in the Agreement with the Partnership (the "Agreement") and a recipient of certain Units thereunder (the "Award"), hereby states, as of the date of issuance of the Award, as follows:

1. The undersigned acknowledges receipt of a copy of the Agreement. The undersigned has carefully reviewed the Agreement.
2. The undersigned either [*check as applicable*]:

(a) has consulted, and has been fully advised by, the undersigned's own tax advisor, _____, whose business address is _____, regarding the federal, state and local tax consequences of being issued the Award under the Agreement, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and pursuant to the corresponding provisions, if any, of applicable state laws; or

(b) has knowingly chosen not to consult such tax advisor.

3. The undersigned hereby states that the undersigned is making an election pursuant to Section 83(b) of the Code and is submitting to the Partnership, together with the undersigned's executed Agreement, a copy of an executed election form which is attached as Exhibit B to the Agreement.

4. Neither the Company nor a representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of the issuance of the Award to the undersigned pursuant to the Agreement or of the making or failure to make an election pursuant to Section 83(b) of the Code or corresponding provisions, if any, of applicable state law.

5. The undersigned is also submitting to the company, together with the Agreement, a copy of an executed election form, if an election is made, of the undersigned pursuant to provisions of state law corresponding to Section 83(b) of the Code, if any, which are applicable to the issuance of the Award to the undersigned pursuant to the Agreement.

Date:

Participant

Date:

Participant's Spouse

ATTACHEMENT B

**ELECTION PURSUANT TO SECTION 83(b) OF THE
INTERNAL REVENUE CODE**

The undersigned hereby elects pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in the undersigned's gross income for the taxable year indicated below the excess (if any) of the fair market value of the property described below, over the amount the undersigned paid for such property, if any, and supplies herewith the following information in accordance with the Treasury regulations promulgated under Section 83(b):

1. The undersigned's name, address and taxpayer identification (social security) number are:

Name: _____
Address: _____
Social Security #: _____

The undersigned's spouse's name, address and taxpayer identification (social security) number are (complete if applicable):

Name: _____
Address: _____
Social Security #: _____

2. The property with respect to which the election is made consists of _____ Units (the "Award") of Pla-Fit Holdings, LLC, a Delaware Limited Liability Company (the "Company"), representing a profits interest in the Company.

3. The date on which the Award was transferred to the undersigned was _____, 2013 and the taxable year to which this election relates is 2013.

4. The Award is subject to the following restrictions: (a) [☒] Units will be forfeited if the undersigned ceases to be an employee of the Partnership prior to the vesting date, and (b) 100% of the Units are subject to restrictions should the undersigned wish to transfer the Award (in whole or in part).

5. The fair market value of the Award at the time of transfer (determined without regard to any restrictions other than those which by their terms will never lapse) is \$0.

6. The amount paid for the Award by the undersigned was \$0.

7. A copy of this election has been furnished to the Company, and the original will be filed with the income tax return of the undersigned to which this election relates.

Date:

Participant

Date:

Participant's Spouse

ATTACHEMENT C

RESTRICTIVE COVENANTS

April 30, 2013

I, the undersigned, acknowledge the importance to Pla-Fit Holdings, LLC (the “Company”) and its Affiliates (as hereafter defined) of protecting their legitimate interests, including without limitation the valuable confidential information and goodwill that they have developed or acquired. Therefore, in consideration of my initial or ongoing membership on the Board of Managers of, or other service relationship with, the Company, the award granted to me under the Pla-Fit Holdings, LLC 2013 Performance Incentive Plan and my being granted access to trade secrets and other confidential information of the Company and its Affiliates, and for other good and valuable consideration, the receipt and sufficiency of which I hereby acknowledge:

1. I agree that all Confidential Information, as defined below, which I create or to which I have access as a result of my membership on the Board of Managers and other associations with the Company and its Affiliates is and shall remain the sole and exclusive property of the Company and its Affiliates. I agree that, except as required for the proper performance of my regular duties for the Company, as expressly authorized in writing in advance by an expressly authorized representative of the Company, or as required by applicable law, I will never, directly or indirectly, use or disclose any Confidential Information. I understand and agree that this restriction shall continue to apply after the termination of my relationship with the Company, howsoever caused. Further, I agree to provide prompt notice to the Company of any required disclosure of Confidential Information sought pursuant to subpoena, court order or any other legal requirement and to provide the Company a reasonable opportunity to seek protection of the Confidential Information prior to any such disclosure.

2. I agree that all documents, records and files, in any media of whatever kind and description, relating to the business, present or otherwise, of the Company or its Affiliates and any copies (including without limitation electronic), in whole or in part, thereof (“Documents” and each individually, a “Document”), whether or not prepared by me, shall be the sole and exclusive property of the Company and its Affiliates. Except as required for the proper performance of my regular duties for the Company or as expressly authorized in writing in advance by an expressly authorized representative of the Company, I will not copy any Documents or remove any Documents, or copies, from the premises of the Company or any of its Affiliates. I will safeguard, and return to the Company immediately upon termination of my relationship with the Company, and at such other times as may be specified by the Company, all Documents and all other property of the Company and its Affiliates, and all documents, records and files of their customers, subcontractors and suppliers (“Third-Party Documents” and each individually a “Third-Party Document”) and all other property of such customers, subcontractors and suppliers, then in my possession or control.

3. I shall maintain accurate and complete records of, and shall immediately and fully disclose and deliver to the Company, all Intellectual Property, as defined below. I have attached hereto as Exhibit A, a list describing all inventions, original works of authorship, developments, improvements, and trade secrets which were made by me

prior to my relationship with the Company, which belong to me and which are not assigned to the Company hereunder (collectively referred to as “Prior Inventions”) and, if no such list is attached, I represent and warrant that there are no such Prior Inventions. If I incorporate into any of the Intellectual Property any Prior Inventions or any other invention, improvement, development, concept, discovery or other proprietary information owned by me or in which I have an interest (collectively, including Prior Inventions, “Service Provider Inventions”), I hereby grant the Company an irrevocable, worldwide, fully paid-up, royalty-free, non-exclusive license, with the right to sublicense through multiple tiers, to exploit or utilize the Intellectual Property as the Company deems fit in its discretion. All copyrightable works that I create in the scope of my service relationship with the Company shall be considered “work made for hire” and shall, upon creation, be owned exclusively by the Company.

4. I hereby assign and agree in the future to assign to the Company (or as otherwise directed by the Company) my full right, title and interest in and to all Intellectual Property. I agree to provide, at the Company’s request, all further cooperation which the Company determines is necessary or desirable to accomplish the complete transfer of the Intellectual Property and all associated rights to the Company, its successors, assigns and nominees, and to ensure the Company the full enjoyment of the Intellectual Property. To the extent that I cannot assign and transfer any of my full right, title, and interest in the Intellectual Property then I hereby grant the Company and its Affiliates an irrevocable, worldwide, fully paid-up, royalty-free, exclusive license, with the right to sublicense through multiple tiers, to exploit or utilize the Intellectual Property as the Company deems fit in its discretion. I will not charge the Company or any of its Affiliates, successors, or assigns for time spent in complying with these obligations under Paragraphs 4 and 5 of this Agreement.

5. I agree that, during my service relationship with the Company and during the twelve (12) month period immediately following termination of that relationship, I will not, directly or indirectly, compete, or undertake any planning to compete, with the Company or any of its Affiliates, in any geographic area in which the Company or any of its Affiliates conduct or are actively planning to conduct their business (the “Restricted Area”), whether as an owner, partner, investor, consultant, employee or otherwise. Specifically, but without limiting the foregoing, I agree not to work or provide services, in any capacity, whether as an employee, independent contractor or otherwise, whether with or without compensation, to any Person who is engaged in any business that is competitive with the Business of the Company or any of its Affiliates for which I have provided services, as conducted or in planning during my employment, anywhere within the Restricted Area. For purposes of this agreement, the “Business of the Company” shall mean owning, franchising or operating low-price health and fitness clubs and “low-price health and fitness clubs” shall mean health and fitness clubs that charge membership fees of thirty dollars (\$30) or less per month. I understand that the foregoing shall not prevent my passive ownership of two percent (2%) or less of the equity securities of any publicly traded company.

6. I agree that, during my service relationship with the Company and during the twelve (12) month period immediately following termination of that relationship, I will not directly or indirectly (a) solicit or encourage any franchisee of the Company or any of its Affiliates to terminate or diminish its relationship with them; or (b) seek to persuade any such franchisee or prospective franchisee of the Company or any of its Affiliates to conduct with anyone else any business or activity which such franchisee or prospective franchisee conducts or could conduct with the Company or any of its Affiliates.

7. I agree that, during my service relationship with the Company and during the twelve (12) month period immediately following termination of that relationship, I will not, and will not assist anyone else to, (a) hire or solicit for hiring any employee of the Company or any of its Affiliates or seek to persuade any employee of the Company or any of its Affiliates to discontinue employment or (b) solicit or encourage any independent contractor providing services to the Company or any of its Affiliates to terminate or diminish its relationship with them; provided, however, that these restrictions shall apply only to employees and independent contractors who have provided services to the Company at any time within the immediately preceding two year period.

8. During the twelve (12) month period immediately following the termination of my service relationship with the Company, I will notify the Company in writing of any change in my address and of each new job or other business activity in which I plan to engage at least two weeks prior to beginning such job or activity. Such notice shall state the name and address of any new employer and the nature of my position. I agree to provide the Company with such other pertinent information concerning such business activity as the Company may reasonably request in order to determine my continued compliance with my obligations under this Agreement. I agree to notify my new employers of my obligations under this Agreement and hereby consent to notification by the Company to my new employers about my obligations under this Agreement.

9. In signing this Agreement, I give the Company assurance that I have carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on me under this Agreement. I agree without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints will not prevent me from obtaining other suitable employment during the period in which I am bound by these restraints. I agree that I will never assert, or permit to be asserted on my behalf, in any forum, any position contrary to the foregoing. I also acknowledge and agree that, were I to breach any of the provisions of this Agreement, the harm to the Company and its Affiliates would be irreparable. I therefore agree that in the event of such a breach or threatened breach the Company and its Affiliates shall, in addition to any other remedies available to them, shall be entitled to preliminary and permanent injunctive relief against any such breach or threatened breach by you, without having to post bond, and will additionally be entitled to recover its reasonable attorney's fees and costs. Without limiting the generality of the foregoing, I agree that, in the event of my breach of any of the provisions of this Agreement, the Company shall have the immediate right to cause to be

cancelled, rescinded, terminated, or otherwise limited or restricted, my award under the Pla-Fit Holdings, LLC 2013 Performance Incentive Plan. I further agree that, in the event that any provision of this Agreement shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. Finally, no claimed breach of contract or other violation of law attributed to the Company, or change in the nature or scope of my service relationship with the Company, shall operate to excuse me from the performance of my obligations under this Agreement.

10. For purposes of this Agreement, the following definitions apply:

“Affiliates” means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, equity interest or otherwise.

“Confidential Information” means any and all information of the Company and its Affiliates that is not generally known by others with whom the Company or any of its Affiliates competes or does business, or with whom any of them plans to compete or do business, and any and all information, publicly known in whole or in part or not, which, if disclosed by the Company or any of its Affiliates, would assist in competition against them, including but not limited to (a) all proprietary information of the Company and its Affiliates, including but not limited to the products and services, technical data, methods, processes, know-how, developments, inventions, and formulae of the Company and its Affiliates, (b) the development, research, testing, marketing and financial activities and strategic plans of the Company and its Affiliates, (c) the manner in which they operate, (d) their costs and sources of supply, (e) the identity and special needs of the customers, prospective customers and franchisees of the Company and its Affiliates, and (f) the people and organizations with whom the Company and its Affiliates have business relationships and those relationships.

“Intellectual Property” means inventions, discoveries, developments, methods, processes, compositions, works, concepts, ideas and know-how (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by me during my service relationship with the Company that relate in any way to the business, products or services of the Company or any of its Affiliates or to any prospective activity of the Company or any of its Affiliates or that result from any work performed by me for the Company or any of its Affiliates or that make use of the Confidential Information or of facilities or equipment of the Company or any of its Affiliates.

“Person” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

11. This is a New Hampshire contract and shall be governed by and construed in accordance with the laws of the State of New Hampshire, without regard to any conflict of laws principles to the contrary. In the event of any alleged breach of this Agreement, I hereby consent and submit to the jurisdiction of the federal and state courts in and of the State of New Hampshire.

12. I represent and warrant that my service relationship with the Company and the execution and performance of this Agreement will not breach or be in conflict with any other agreement to which I am a party or am bound and that I am not now subject to any covenants against competition or similar covenants or other obligation to third parties or to any court order, judgment or decree that would affect the performance of my obligations hereunder or of my duties and responsibilities to the Company and its Affiliates. I will not disclose to or use on behalf of the Company or its Affiliates, or induce the Company or any of its Affiliates to use, any proprietary information of any previous employer of mine or other third party without that party's consent.

13. This Agreement sets forth the entire agreement between me and the Company and supersedes all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the subject matter hereof; provided, however, that this Agreement shall not terminate or supersede any additional obligations I may have pursuant to any other agreement or under applicable law with respect to confidentiality, assignment of rights to intellectual property or the like. In the event of conflict between this Agreement and any prior agreement between me and the Company, this Agreement shall govern. No marking or like change to the body of this Agreement shall be of any force or effect and this Agreement shall be interpreted as if such change had not been made. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by me and an expressly authorized officer of the Company. If any provision of this Agreement should, for any reason, be held invalid or unenforceable in any respect, it shall not affect any other provisions, and shall be construed by limiting it so as to be enforceable to the maximum extent permissible by law. Provisions of this Agreement shall survive any termination if so provided in this Agreement or if necessary or desirable to accomplish the purpose of other surviving provisions.

14. Neither the Company nor I may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without my consent (a) in the event that I am transferred to a position with one of the Company's Affiliates or (b) in the event that the Company shall hereafter effect a reorganization, consolidate with, or merge into any Person or Affiliate or transfer to any Person or Affiliate all or substantially all of the business, properties or assets of the Company. This Agreement shall inure to the benefit of and be binding upon me and the Company, and each of our respective successors, executors, administrators, heirs, representatives and permitted assigns. I also agree that each of the Company's Affiliates shall have the right to enforce all of my obligations to that Affiliate under this Agreement.

15. I acknowledge and agree that this Agreement does not in any way restrict my right or that of the Company to terminate my service relationship with the Company at any time, with or without notice or cause. In signing this Agreement, I give the Company assurance that I have read and understood, and have had a full and reasonable

opportunity to consider, its terms and to consult with any person of my choosing before signing; that I have not relied on any agreements or representations, express or implied, that are not set forth expressly in this Agreement; and that I have signed this Agreement knowingly and voluntarily.

Intending to be legally bound hereby, I have signed this Agreement as of the day and year first written above.

Signature: _____

Printed Name: _____

EXHIBIT A

LIST OF PRIOR INVENTIONS AND ORIGINAL WORKS OF AUTHORSHIP

TITLE	DATE	IDENTIFYING NUMBER OR BRIEF DESCRIPTION

_____ No inventions or improvements

_____ Additional sheets attached

Signature of Recipient (as of the date first written above): _____

PLANET FITNESS, INC.
2015 OMNIBUS INCENTIVE PLAN

1. DEFINED TERMS

Exhibit A , which is incorporated by reference, defines the terms used in the Plan and sets forth certain operational rules related to those terms.

2. PURPOSE

The Plan has been established to advance the interests of the Company by providing for the grant to Participants of Stock, Stock-based and other incentive Awards.

3. ADMINISTRATION

The Administrator has discretionary authority to interpret the Plan; determine eligibility for and grant Awards; determine, modify or waive the terms and conditions of any Award; determine the form of settlement of Awards (whether in cash, shares of Stock or other property); prescribe forms, rules and procedures relating to the Plan; and otherwise do all things necessary or appropriate to carry out the purposes of the Plan. Determinations of the Administrator made under the Plan will be conclusive and will bind all parties.

4. LIMITS ON AWARDS UNDER THE PLAN

(a) Number of Shares . The maximum number of shares of Stock that may be delivered in satisfaction of Awards under the Plan is [•] shares. Up to the total number of shares available for Awards to employee Participants may be issued in satisfaction of ISOs, but nothing in this Section 4(a) will be construed as requiring that any, or any fixed number of, ISOs be awarded under the Plan. The limits set forth in this Section 4(a) shall be construed to comply with Section 422. For purposes of this Section 4(a), the number of shares of Stock delivered in satisfaction of Awards will be determined net of shares of Stock withheld by the Company in payment of the exercise price or purchase price of the Award or in satisfaction of tax withholding requirements with respect to the Award and, for the avoidance of doubt, without including any shares of Stock underlying Awards settled in cash or that otherwise expire or become unexercisable without having been exercised or that are forfeited to or repurchased by the Company due to failure to vest. To the extent consistent with the requirements of Section 422 and the regulations thereunder, and with other applicable legal requirements (including applicable stock exchange requirements), Stock issued under awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition shall not reduce the number of shares of Stock available for Awards under the Plan.

(b) Type of Shares . Stock delivered by the Company under the Plan may be authorized but unissued Stock or previously issued Stock acquired by the Company. No fractional shares of Stock will be delivered under the Plan.

(c) Individual Limits . The following additional limits will apply to Awards of the specified type granted or, in the case of Cash Awards, payable to any person in any calendar year:

- (1)** Stock Options: [•] shares of Stock.
- (2)** SARs: [•] shares of Stock.
- (3)** Awards other than Stock Options, SARs or Cash Awards: [•] shares of Stock.
- (4)** Cash Awards: \$[•].

In applying the foregoing limits, (i) all Awards of the specified type granted to the same person in the same calendar year will be aggregated and made subject to one limit; (ii) the limits applicable to Stock Options and SARs refer to the number of shares of Stock subject to those Awards; (iii) the share limit under clause (3) refers to the maximum number of shares of Stock that may be delivered, or the value of which could be paid in cash or other property, under an Award or Awards of the type specified in clause (3) assuming a maximum payout; and (iv) the dollar limit under clause (4) refers to the maximum dollar amount payable under an Award or Awards of the type specified in clause (4) assuming a maximum payout. The foregoing provisions will be construed in a manner consistent with Section 162(m), including, without limitation, where applicable, the rules under Section 162(m) pertaining to permissible deferrals of exempt awards.

(d) Non-Employee Director Limits . In the case of a Director, additional limits shall apply such that the maximum grant-date fair value of Stock-denominated Awards granted in any calendar year during any part of which the Director is then eligible under the Plan shall be \$400,000, except that such limit for a non-employee Chairman of the Board or lead Director shall be \$700,000, in each case, computed in accordance with FASB ASC Topic 718 (or any successor provision). The foregoing additional limits related to Directors shall not apply to any Award or shares of Stock granted pursuant to a Director's election to receive an Award or shares of Stock in lieu of cash retainers or other fees (to the extent such Award or shares of Stock have a fair value equal to the value of such cash retainers or other fees).

5. ELIGIBILITY AND PARTICIPATION

The Administrator will select Participants from among key Employees and directors of, and consultants and advisors to, the Company and its Affiliates. Eligibility for Cash Awards and ISOs is limited to individuals described in the first sentence of this Section 5 who are employees of the Company or of a "parent corporation" or "subsidiary corporation" of the Company as those terms are defined in Section 424 of the Code. Eligibility for Stock Options other than ISOs is limited to individuals described in the first sentence of this Section 5 who are providing direct services on the date of grant of the Stock Option to the Company or to a subsidiary of the Company that would be described in the first sentence of Section 1.409A-1(b)(5)(iii)(E) of the Treasury Regulations.

6. RULES APPLICABLE TO AWARDS

(a) All Awards .

(1) Award Provisions . The Administrator will determine the terms of all Awards, subject to the limitations provided herein. By accepting (or, under such rules as the Administrator may prescribe, being deemed to have accepted) an Award, the Participant will be deemed to have agreed to the terms of the Award and the Plan. Notwithstanding any provision of this Plan to the contrary, awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition may contain terms and conditions that are inconsistent with the terms and conditions specified herein, as determined by the Administrator.

(2) Term of Plan . No Awards may be made after ten years from the Date of Adoption, but previously granted Awards may continue beyond that date in accordance with their terms.

(3) Transferability . Neither ISOs nor, except as the Administrator otherwise expressly provides in accordance with the last sentence of this Section 6(a)(3), other Awards may be transferred other than by will or by the laws of descent and distribution. During a Participant's lifetime, ISOs (and, except as the Administrator otherwise expressly provides in accordance with the last sentence of this Section 6(a)(3), SARs and NSOs) may be exercised only by the Participant. The Administrator may permit the gratuitous transfer (*i.e.* , transfer not for value) of Awards other than ISOs to any transferee eligible to be covered by the provisions of Form S-8 (under the Securities Act of 1933, as amended), subject to such limitations as the Administrator may impose.

(4) Vesting, etc. The Administrator will determine the time or times at which an Award will vest or become exercisable and the terms on which a Stock Option or SAR will remain exercisable. Without limiting the foregoing, the Administrator may at any time accelerate the vesting or exercisability of an Award, regardless of any adverse or potentially adverse tax or other consequences resulting from such acceleration. Unless the Administrator expressly provides otherwise, however, the following rules will apply if a Participant's Employment ceases:

(A) Immediately upon the cessation of the Participant's Employment and except as provided in (B) and (C) below, each Stock Option and SAR that is then held by the Participant or by the Participant's permitted transferees, if any, will cease to be exercisable and will terminate and all other Awards that are then held by the Participant or by the Participant's permitted transferees, if any, to the extent not already vested will be forfeited.

(B) Subject to (C) and (D) below, all Stock Options and SARs held by the Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of three months or (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(C) All Stock Options and SARs held by a Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment due to his or her death or due to the termination of the Participant's Employment by the Company due to his or her Disability, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of twelve (12) months or (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(D) All Stock Options and SARs (whether or not exercisable) held by a Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment will immediately terminate upon such cessation of Employment if the termination is for Cause or occurs in circumstances that in the sole determination of the Administrator would have constituted grounds for the Participant's Employment to be terminated for Cause.

(5) Additional Restrictions . The Administrator may cancel, rescind, withhold or otherwise limit or restrict any Award at any time if the Participant is not in compliance with all applicable provisions of the Award agreement and the Plan, or if the Participant breaches any agreement with the Company or its Affiliates with respect to non-competition, non-solicitation or confidentiality. Without limiting the generality of the foregoing, the Administrator may recover Awards made under the Plan and payments or shares of Stock delivered under or gain in respect of any Award in accordance with any applicable Company clawback or recoupment policy, as such policy may be amended and in effect from time to time, or as otherwise required by applicable law or applicable stock exchange listing standards, including, without limitation, Section 10D of the Securities Exchange Act of 1934, as amended.

(6) Taxes . The delivery, vesting and retention of Stock, cash or other property under an Award are conditioned upon full satisfaction by the Participant of all tax withholding requirements with respect to the Award. The Administrator will prescribe such rules for the withholding of taxes as it deems necessary. Each Participant agrees promptly to remit to the Company, in cash, the full amount of all taxes required to be withheld in connection with an Award unless the Administrator, in its sole discretion, provides alternative means for satisfying the Company's tax withholding requirements. The Administrator may, but need not, hold back shares of Stock from an Award or permit a Participant to tender previously owned shares of Stock in satisfaction of tax withholding requirements (but not in excess of the minimum withholding required by law to the extent required to not result in adverse accounting treatment of an Award under U.S. generally accepted accounting principles, as determined by the Administrator).

(7) Dividend Equivalents, etc. The Administrator may provide for the payment of amounts (on terms and subject to conditions established by the Administrator) in lieu of cash dividends or other cash distributions with respect to Stock subject to an Award whether or not the holder of such Award is otherwise entitled to share in the actual dividend or distribution in respect of such Award. Dividends or dividend equivalent amounts payable in respect of Awards that are subject to restrictions may be subject to such limits or restrictions as the Administrator may impose.

(8) Rights Limited . Nothing in the Plan will be construed as giving any person the right to continued employment or service with the Company or its Affiliates, or any rights as a stockholder except as to shares of Stock actually issued under the Plan. The loss of existing or potential profit in Awards will not constitute an element of damages in the event of a termination of Employment for any reason, even if the termination is in violation of an obligation of the Company or any Affiliate to the Participant.

(9) Section 162(m) . In the case of any Performance Award (other than a Stock Option or SAR) intended to qualify for the performance-based compensation exception under Section 162(m), the Administrator will establish the applicable Performance Criterion or Criteria in writing no later than ninety (90) days after the commencement of the period of service to which the performance relates (or at such earlier time as is required to qualify the Award as performance-based under Section 162(m)) and, prior to the event or occurrence (grant, vesting or payment, as the case may be) that is conditioned on the attainment of such Performance Criterion or Criteria, will certify whether it or they have been attained. The preceding sentence will not apply to an Award eligible (as determined by the Administrator) for exemption from the limitations of Section 162(m) by reason of the post-initial public offering transition relief in Section 1.162-27(f) of the Treasury Regulations.

(10) Coordination with Other Plans . Awards under the Plan may be granted in tandem with, or in satisfaction of or substitution for, other Awards under the Plan or awards made under other compensatory plans or programs of the Company or its Affiliates. For example, but without limiting the generality of the foregoing, awards under other compensatory plans or programs of the Company or its Affiliates may be settled in Stock (including, without limitation, Unrestricted Stock) if the Administrator so determines, in which case the shares delivered will be treated as awarded under the Plan (and will reduce the number of shares thereafter available under the Plan in accordance with the rules set forth in Section 4). In any case where an award is made under another plan or program of the Company or its Affiliates and such award is intended to qualify for the performance-based compensation exception under Section 162(m), and such award is settled by the delivery of Stock or another Award under the Plan, the applicable Section 162(m) limitations under both the other plan or program and under the Plan will be applied to the Plan as necessary (as determined by the Administrator) to preserve the availability of the Section 162(m) performance-based compensation exception with respect thereto.

(11) Section 409A . Each Award will contain such terms as the Administrator determines, and will be construed and administered, such that the Award either qualifies for an exemption from the requirements of Section 409A or satisfies such requirements.

(12) Fair Market Value . In determining the fair market value of any share of Stock under the Plan, the Administrator will make the determination in good faith consistent with the rules of Section 422 and Section 409A, to the extent applicable.

(b) Stock Options and SARs .

(1) Time and Manner of Exercise . Unless the Administrator expressly provides otherwise, no Stock Option or SAR will be deemed to have been exercised until the

Administrator receives a notice of exercise (in form acceptable to the Administrator), which if the Administrator so determines may be an electronic notice, signed (including electronic signature in form acceptable to the Administrator) by the appropriate person and accompanied by any payment required under the Award. A Stock Option or SAR exercised by any person other than the Participant will not be deemed to have been exercised until the Administrator has received such evidence as it may require that the person exercising the Award has the right to do so. The Administrator may impose conditions on the exercisability of Awards, including limitations on the time periods during which Awards may be exercised or settled.

(2) Exercise Price . The exercise price (or the base value from which appreciation is to be measured) of each Stock Option or SAR will be no less than 100% (or in the case of an ISO granted to a ten-percent shareholder within the meaning of subsection (b)(6) of Section 422, 110%) of the fair market value of the Stock subject to the Award, determined as of the date of grant, or such higher amount as the Administrator may determine in connection with the grant. Except in connection with a corporate transaction involving the Company (which term shall include, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares) or as otherwise contemplated by Section 7 of the Plan, the terms of outstanding Stock Options or SARs, as applicable, may not be amended to reduce the exercise prices of such Stock Options or the base values from which appreciation under such SARs are to be measured other than in accordance with the stockholder approval requirements of the New York Stock Exchange.

(3) Payment of Exercise Price . Where the exercise of an Award is to be accompanied by payment, payment of the exercise price will be by cash or check acceptable to the Administrator or by such other legally permissible means, if any, as may be acceptable to the Administrator.

(4) Maximum Term . Stock Options and SARs will have a maximum term not to exceed ten (10) years from the date of grant (or five (5) years from the date of grant in the case of an ISO granted to a ten-percent shareholder described in Section 6(b)(2) above).

7. EFFECT OF CERTAIN TRANSACTIONS

(a) Mergers, etc. Except as otherwise provided in an Award agreement, the following provisions will apply in the event of a Covered Transaction:

(1) Assumption or Substitution . If the Covered Transaction is one in which there is an acquiring or surviving entity, the Administrator may (but, for the avoidance of doubt, need not) provide (i) for the assumption or continuation of some or all outstanding Awards or any portion thereof or (ii) for the grant of new awards in substitution therefor by the acquiror or survivor or an affiliate of the acquiror or survivor.

(2) Cash-Out of Awards . Subject to Section 7(a)(5) below the Administrator may (but, for the avoidance of doubt, need not) provide for payment (a “cash-out”), with respect to some or all Awards or any portion thereof, equal in the case of each affected Award or portion thereof to the excess, if any, of (A) the fair market value of one share of Stock times the number

of shares of Stock subject to the Award or such portion, over (B) the aggregate exercise or purchase price, if any, under the Award or such portion (in the case of an SAR, the aggregate base value above which appreciation is measured), in each case on such payment terms (which need not be the same as the terms of payment to holders of Stock) and other terms, and subject to such conditions, as the Administrator determines; it being understood that if the exercise or purchase price (or base value) of an Award is equal to or greater than the fair market value of one share of Stock, the Award may be cancelled with no payment due hereunder.

(3) Acceleration of Certain Awards . Subject to Section 7(a)(5) below, the Administrator may (but, for the avoidance of doubt, need not) provide that any Award requiring exercise will become exercisable, in full or in part and/or that the delivery of any shares of Stock remaining deliverable under any outstanding Award of Stock Units (including Restricted Stock Units and Performance Awards to the extent consisting of Stock Units) will be accelerated in full or in part, in each case on a basis that gives the holder of the Award a reasonable opportunity, as determined by the Administrator, following exercise of the Award or the delivery of the shares, as the case may be, to participate as a stockholder in the Covered Transaction.

(4) Termination of Awards Upon Consummation of Covered Transaction . Except as the Administrator may otherwise determine in any case, each Award will automatically terminate (and in the case of outstanding shares of Restricted Stock, will automatically be forfeited) upon consummation of the Covered Transaction, other than Awards assumed pursuant to Section 7(a)(1) above.

(5) Additional Limitations . Any share of Stock and any cash or other property delivered pursuant to Section 7(a)(2) or Section 7(a)(3) above with respect to an Award may, in the discretion of the Administrator, contain such restrictions, if any, as the Administrator deems appropriate to reflect any performance or other vesting conditions to which the Award was subject and that did not lapse (and were not satisfied) in connection with the Covered Transaction. For purposes of the immediately preceding sentence, a cash-out under Section 7(a)(2) above or acceleration under Section 7(a)(3) above will not, in and of itself, be treated as the lapsing (or satisfaction) of a performance or other vesting condition. In the case of Restricted Stock that does not vest and is not forfeited in connection with the Covered Transaction, the Administrator may require that any amounts delivered, exchanged or otherwise paid in respect of such Stock in connection with the Covered Transaction be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan.

(b) Changes in and Distributions with Respect to Stock .

(1) Basic Adjustment Provisions . In the event of a stock dividend, stock split or combination of shares (including a reverse stock split), recapitalization or other change in the Company's capital structure that constitutes an equity restructuring within the meaning of FASB ASC Topic 718, the Administrator will make appropriate adjustments to the maximum number of shares of Stock that may be delivered under the Plan and to the maximum limits described in Section 4(c) and will also make appropriate adjustments to the number and kind of shares of stock or securities subject to Awards then outstanding or subsequently granted, any exercise or purchase prices (or base values) relating to Awards and any other provision of Awards affected by such change.

(2) Certain Other Adjustments . The Administrator may also make adjustments of the type described in Section 7(b)(1) above to take into account distributions to stockholders other than those provided for in Section 7(a) and 7(b)(1), or any other event, if the Administrator determines that adjustments are appropriate to avoid distortion in the operation of the Plan, having due regard for the qualification of ISOs under Section 422, the requirements of Section 409A, and for the performance-based compensation rules of Section 162(m), where applicable.

(3) Continuing Application of Plan Terms . References in the Plan to shares of Stock will be construed to include any stock or securities resulting from an adjustment pursuant to this Section 7.

8. LEGAL CONDITIONS ON DELIVERY OF STOCK

The Company will not be obligated to deliver any shares of Stock pursuant to the Plan or to remove any restriction from shares of Stock previously delivered under the Plan until: (i) the Company is satisfied that all legal matters in connection with the issuance and delivery of such shares have been addressed and resolved; (ii) if the outstanding Stock is at the time of delivery listed on any stock exchange or national market system, the shares to be delivered have been listed or authorized to be listed on such exchange or system upon official notice of issuance; and (iii) all conditions of the Award have been satisfied or waived. The Company may require, as a condition to exercise of the Award, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of the Securities Act of 1933, as amended, or any applicable state or non-U.S. securities law. Any Stock required to be issued to Participants under the Plan will be evidenced in such manner as the Administrator may deem appropriate, including book-entry registration or delivery of stock certificates. In the event that the Administrator determines that Stock certificates will be issued to Participants under the Plan, the Administrator may require that certificates evidencing Stock issued under the Plan bear an appropriate legend reflecting any restriction on transfer applicable to such Stock, and the Company may hold the certificates pending lapse of the applicable restrictions.

9. AMENDMENT AND TERMINATION

The Administrator may at any time or times amend the Plan or any outstanding Award for any purpose which may at the time be permitted by law, and may at any time terminate the Plan as to any future grants of Awards; provided, that, except as otherwise expressly provided in the Plan, the Administrator may not, without the Participant's consent, alter the terms of an Award so as to affect materially and adversely the Participant's rights under the Award, unless the Administrator expressly reserved the right to do so at the time the Award was granted. Any amendments to the Plan will be conditioned upon stockholder approval only to the extent, if any, such approval is required by law (including the Code and applicable stock exchange requirements), as determined by the Administrator.

10. OTHER COMPENSATION ARRANGEMENTS

The existence of the Plan or the grant of any Award will not in any way affect the Company's right to award a person bonuses or other compensation in addition to Awards under the Plan.

11. MISCELLANEOUS

(a) Waiver of Jury Trial . By accepting an Award under the Plan, each Participant waives any right to a trial by jury in any action, proceeding or counterclaim concerning any rights under the Plan and any Award, or under any amendment, waiver, consent, instrument, document or other agreement delivered or which in the future may be delivered in connection therewith, and agrees that any such action, proceedings or counterclaim will be tried before a court and not before a jury. By accepting an Award under the Plan, each Participant certifies that no officer, representative, or attorney of the Company has represented, expressly or otherwise, that the Company would not, in the event of any action, proceeding or counterclaim, seek to enforce the foregoing waivers. Notwithstanding anything to the contrary in the Plan, nothing herein is to be construed as limiting the ability of the Company and a Participant to agree to submit disputes arising under the terms of the Plan or any Award made hereunder to binding arbitration or as limiting the ability of the Company to require any eligible individual to agree to submit such disputes to binding arbitration as a condition of receiving an Award hereunder.

(b) Limitation of Liability . Notwithstanding anything to the contrary in the Plan, neither the Company, nor any Affiliate, nor the Administrator, nor any person acting on behalf of the Company, any Affiliate, or the Administrator, will be liable to any Participant or to the estate or beneficiary of any Participant or to any other holder of an Award by reason of any acceleration of income, or any additional tax (including any interest and penalties), asserted by reason of the failure of an Award to satisfy the requirements of Section 422 or Section 409A or by reason of Section 4999 of the Code, or otherwise asserted with respect to the Award.

12. ESTABLISHMENT OF SUB-PLANS

The Administrator may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable blue sky, securities or tax laws of various jurisdictions. The Administrator will establish such sub-plans by adopting supplements to the Plan setting forth (i) such limitations on the Administrator's discretion under the Plan as it deems necessary or desirable and (ii) such additional terms and conditions not otherwise inconsistent with the Plan as it deems necessary or desirable. All supplements so established will be deemed to be part of the Plan, but each supplement will apply only to Participants within the affected jurisdiction (as determined by the Administrator).

13. GOVERNING LAW

(a) Certain Requirements of Corporate Law . Awards will be granted and administered consistent with the requirements of applicable Delaware law relating to the issuance of stock and the consideration to be received therefor, and with the applicable requirements of the stock exchanges or other trading systems on which the Stock is listed or entered for trading, in each case as determined by the Administrator.

(b) Other Matters . Except as otherwise provided by the express terms of an Award agreement, under a sub-plan described in Section 12 or as provided in Section 13(a) above, the provisions of the Plan and of Awards under the Plan and all claims or disputes arising out of or based upon the Plan or any Award under the Plan or relating to the subject matter hereof or thereof will be governed by and construed in accordance with the domestic substantive laws of the State of New Hampshire without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

(c) Jurisdiction . By accepting an Award, each Participant will be deemed to (a) have submitted irrevocably and unconditionally to the jurisdiction of the federal and state courts located within the geographic boundaries of the United States District Court for the District of New Hampshire for the purpose of any suit, action or other proceeding arising out of or based upon the Plan or any Award; (b) agree not to commence any suit, action or other proceeding arising out of or based upon the Plan or an Award, except in the federal and state courts located within the geographic boundaries of the United States District Court for the District of New Hampshire; and (c) waive, and agree not to assert, by way of motion as a defense or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that the Plan or an Award or the subject matter thereof may not be enforced in or by such court.

EXHIBIT A

Definition of Terms

The following terms, when used in the Plan, will have the meanings and be subject to the provisions set forth below:

“Administrator”: The Compensation Committee, except that the Compensation Committee may delegate (i) to one or more of its members (or one or more other members of the Board (including the full Board)) such of its duties, powers and responsibilities as it may determine; (ii) to one or more officers of the Company the power to grant Awards to the extent permitted by applicable law; and (iii) to such Employees or other persons as it determines such ministerial tasks as it deems appropriate. In the event of any delegation described in the preceding sentence, the term “Administrator” will include the person or persons so delegated to the extent of such delegation.

“Affiliate”: Any corporation or other entity that stands in a relationship to the Company that would result in the Company and such corporation or other entity being treated as one employer under Section 414(b) and Section 414(c) of the Code, *provided* that, for purposes of determining treatment as a single employer under Section 414(b) and Section 414(c) of the Code, “50%” shall replace “80%” in the applicable stock ownership requirements under such sections of the Code and the regulations thereunder.

“Award”: Any or a combination of the following:

- (i) Stock Options.
- (ii) SARs.
- (iii) Restricted Stock.
- (iv) Unrestricted Stock.
- (v) Stock Units, including Restricted Stock Units.
- (vi) Performance Awards.
- (vii) Cash Awards.
- (viii) Awards (other than Awards described in (i) through (vii) above) that are convertible into or otherwise based on Stock.

“Board”: The Board of Directors of the Company.

“Cash Award”: An Award denominated in cash.

“Cause”: In the case of any Participant who is party to an effective employment or severance-benefit agreement with the Company or an Affiliate of the Company that contains a definition of “Cause,” the definition set forth in such agreement will apply with respect to such Participant under the Plan for so long as such agreement is in effect. In the case of any other Participant, “Cause” will mean, as determined by the Administrator in its reasonable judgment, (i) a substantial failure of the Participant to perform the Participant’s duties and responsibilities to the Company or Affiliates or substantial negligence in the performance of such duties and responsibilities; (ii) the commission by the Participant of a felony or a crime involving moral turpitude; (iii) the commission by the Participant of theft, fraud, embezzlement, material breach of trust or any material act of dishonesty involving the Company or any of its Affiliates; (iv) a significant violation by the Participant of the code of conduct of the Company or its Affiliates of any material policy of the Company or its Affiliates, or of any statutory or common law duty of loyalty to the Company or its Affiliates; (v) material breach of any of the terms of the Plan or any Award made under the Plan, or of the terms of any other agreement between the Company or Affiliates and the Participant; or (vi) other conduct by the Participant that could be expected to be harmful to the business, interests or reputation of the Company.

“Code”: The U.S. Internal Revenue Code of 1986 as from time to time amended and in effect, or any successor statute as from time to time in effect.

“Compensation Committee”: The Compensation Committee of the Board.

“Company”: Planet Fitness, Inc.

“Covered Transaction”: Any of (i) a consolidation, merger, or similar transaction or series of related transactions, including a sale or other disposition of stock, in which the Company is not the surviving corporation or that results in the acquisition of all or substantially all of the Company’s then outstanding common stock by a single person or entity or by a group of persons and/or entities acting in concert, (ii) a sale or transfer of all or substantially all the Company’s assets, or (iii) a dissolution or liquidation of the Company. Where a Covered Transaction involves a tender offer pursuant to which at least a majority of the Company’s then outstanding common stock is purchased by a single person or entity or by a group of persons and/or entities acting in concert that is reasonably expected to be followed by a merger described in clause (i) (as determined by the Administrator), the Covered Transaction shall be deemed to have occurred upon consummation of the tender offer.

“Date of Adoption”: The date the Plan was approved by the Company’s stockholders or adopted by the Board, as determined by the Compensation Committee.

“Director”: A member of the Board who is not an employee.

“Disability”: In the case of any Participant who is party to an effective employment or severance-benefit agreement with the Company or an Affiliate of the Company that contains a definition of “Disability,” the definition set forth in such agreement will apply with respect to such Participant under the Plan for so long as such agreement is in effect. In the case of any other Participant, a permanent disability as defined in the long-term disability plan maintained by the Company or one of its Affiliates, or as defined from time to time by the Company in its sole discretion.

“Employee”: Any person who is employed by the Company or an Affiliate.

“Employment”: A Participant’s employment or other service relationship with the Company or an Affiliate. Employment will be deemed to continue, unless the Administrator expressly provides otherwise, so long as the Participant is employed by, or otherwise is providing services in a capacity described in Section 5 to the Company or an Affiliate. If a Participant’s employment or other service relationship is with an Affiliate and that entity ceases to be an Affiliate, the Participant’s Employment will be deemed to have terminated when the entity ceases to be an Affiliate unless the Participant transfers Employment to the Company or its remaining Affiliates. Notwithstanding the foregoing and the definition of “Affiliate” above, in construing the provisions of any Award relating to the payment of “nonqualified deferred compensation” (subject to Section 409A) upon a termination or cessation of Employment, references to termination or cessation of employment, separation from service, retirement or similar or correlative terms will be construed to require a “separation from service” (as that term is defined in Section 1.409A-1(h) of the Treasury Regulations, after giving effect to the presumptions contained therein) from the Company and from all other corporations and trades or businesses, if any, that would be treated as a single “service recipient” with the Company under Section 1.409A-1(h)(3) of the Treasury Regulations. The Company may, but need not, elect in writing, subject to the applicable limitations under Section 409A, any of the special elective rules prescribed in Section 1.409A-1(h) of the Treasury Regulations for purposes of determining whether a “separation from service” has occurred. Any such written election will be deemed a part of the Plan.

“ISO”: A Stock Option intended to be an “incentive stock option” within the meaning of Section 422. Each Stock Option granted pursuant to the Plan will be treated as providing by its terms that it is to be an NSO unless, as of the date of grant, it is expressly designated as an ISO.

“NSO”: A Stock Option that is not intended to be an “incentive stock option” within the meaning of Section 422.

“Participant”: A person who is granted an Award under the Plan.

“Performance Award”: An Award subject to Performance Criteria. The Administrator in its discretion may grant Performance Awards that are intended to qualify for the performance-based compensation exception under Section 162(m) and Performance Awards that are not intended so to qualify.

“Performance Criteria”: Specified criteria, other than the mere continuation of Employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award. For purposes of Awards that are intended to qualify for the performance-based compensation exception under Section 162(m), a Performance Criterion will mean an objectively determinable measure of performance relating to any or any combination of the following (measured either absolutely or comparatively (including, without limitation, by reference to an index or indices or a specified peer group) and

determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof and subject to such adjustments, if any, as the Compensation Committee specifies, consistent with the requirements of Section 162(m)): sales; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, amortization or equity expense, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital, capital employed or assets; one or more operating ratios; operating income or profit, including on an after tax basis; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; stockholder return; sales of particular products or services; same store sales; customer satisfaction; gross or net store openings, including timing of openings and achievement of growth targets with respect thereto; new store first year sales; customer acquisition or retention; acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings. A Performance Criterion and any targets with respect thereto determined by the Administrator need not be based upon an increase, a positive or improved result or avoidance of loss. To the extent consistent with the requirements for satisfying the performance-based compensation exception under Section 162(m), the Administrator may provide in the case of any Award intended to qualify for such exception that one or more of the Performance Criteria applicable to such Award will be adjusted in an objectively determinable manner to reflect events (for example, the impact of charges for restructurings, discontinued operations, mergers, acquisitions, and other unusual or infrequently occurring items, and the cumulative effects of tax or accounting changes, each as defined by U.S. generally accepted accounting principles) occurring during the performance period that affect the applicable Performance Criterion or Criteria.

“Plan”: The Planet Fitness, Inc. 2015 Omnibus Incentive Plan as from time to time amended and in effect.

“Restricted Stock”: Stock subject to restrictions requiring that it be redelivered or offered for sale to the Company if specified conditions are not satisfied.

“Restricted Stock Unit”: A Stock Unit that is, or as to which the delivery of Stock or cash in lieu of Stock is, subject to the satisfaction of specified performance or other vesting conditions.

“SAR”: A right entitling the holder upon exercise to receive an amount (payable in cash or in shares of Stock of equivalent value) equal to the excess of the fair market value of the shares of Stock subject to the right over the base value from which appreciation under the SAR is to be measured.

“Section 409A”: Section 409A of the Code.

“Section 422”: Section 422 of the Code.

“Section 162(m)”: Section 162(m) of the Code.

“Stock”: Common stock of the Company, par value \$0.0001 per share.

“Stock Option”: An option entitling the holder to acquire shares of Stock upon payment of the exercise price.

“Stock Unit”: An unfunded and unsecured promise, denominated in shares of Stock, to deliver Stock or cash measured by the value of Stock in the future.

“Unrestricted Stock”: Stock not subject to any restrictions under the terms of the Award.

**PLANET FITNESS, INC.
CASH INCENTIVE PLAN**

This Cash Incentive Plan (the “Plan”) has been established to advance the interests of Planet Fitness, Inc. (the “Company”) by providing for the grant of Cash Incentive Awards (as defined below) to eligible employees of the Company and its subsidiaries, including Cash Incentive Awards intended to qualify for the performance-based compensation exemption (“Exempt Cash Incentive Awards”) under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”) (Section 162(m) of the Code, together with the regulations thereunder, “Section 162(m)”), to the extent applicable.

I. ADMINISTRATION

The Plan will be administered by the Committee and its delegates (the Committee and its delegates, to the extent of such delegation, are referred to herein as the “Administrator”); *provided*, that all determinations and other actions of the Administrator required by the performance-based compensation provisions of Section 162(m) to be made or taken by a “compensation committee” (as defined in Section 162(m)) will be made or taken hereunder directly by the Committee, and all references to the Administrator herein are to be construed accordingly. For purposes of the Plan, “Committee” means the Compensation Committee of the Board of Directors of the Company, except that if any member of the Compensation Committee is not an “outside director” (as defined in Section 162(m)), “Committee” means a subcommittee of the Compensation Committee consisting solely of those Compensation Committee members who are “outside directors” as so defined.

The Administrator has the authority to interpret the Plan and Cash Incentive Awards, to determine eligibility for Cash Incentive Awards, to determine the terms of and the conditions applicable to any Cash Incentive Award, and generally to do all things necessary to administer the Plan. Any interpretation or decision by the Administrator with respect to the Plan or any Cash Incentive Award will be final and conclusive as to all parties.

II. ELIGIBILITY; PARTICIPANTS

The Administrator will select from among the executive officers and other key employees of the Company and its subsidiaries those employees who will from time to time participate in the Plan (each, a “Participant”). Participation with respect to one Cash Incentive Award under the Plan will not entitle an individual to participate with respect to a subsequent Cash Incentive Award or Cash Incentive Awards, if any, and will not entitle a Participant to continued employment or constitute the basis for any claim of damages in connection with a termination of employment or otherwise.

III. GRANT OF AWARDS

The term “Cash Incentive Award” as used in the Plan means an award opportunity that is payable in cash and is granted to a Participant with respect to a specified performance period (consisting of the Company’s fiscal year or such other period as the Administrator may determine, each a “Performance Period”). A Participant who is granted a Cash Incentive Award

will be entitled to a payment, if any, under the Cash Incentive Award only if all conditions to payment have been satisfied in accordance with the Plan and the terms of the Cash Incentive Award. By accepting (or, under such rules as the Administrator may prescribe, being deemed to have accepted) a Cash Incentive Award, the Participant agrees (or will be deemed to have agreed) to the terms of the Cash Incentive Award and the Plan. For each Cash Incentive Award, the Administrator shall establish the following:

- (a) the Performance Criteria (as defined in Section IV below) applicable to the Cash Incentive Award;
- (b) the amount or amounts that will be payable (subject to adjustment in accordance with Section V) if the Performance Criteria are achieved; and
- (c) such other terms and conditions as the Administrator deems appropriate, subject in each case to the terms of the Plan.

For Exempt Cash Incentive Awards, (i) such terms shall be established by the Committee not later than (A) the ninetieth (90th) day after the beginning of the Performance Period, in the case of a Performance Period of 360 days or longer, or (B) the end of the period constituting the first quarter of the Performance Period, in the case of a Performance Period of less than 360 days, and (ii) once the Committee has established the terms of such Exempt Cash Incentive Award in accordance with the foregoing, it shall not thereafter adjust such terms, except to reduce payments, if any, under the Exempt Cash Incentive Award in accordance with Section V or as otherwise permitted in accordance with the requirements of Section 162(m).

IV. PERFORMANCE CRITERIA

As used in the Plan, "Performance Criteria" means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the vesting, payment or full enjoyment of a Cash Incentive Award. A Performance Criterion and any targets with respect thereto determined by the Administrator need not be based upon an increase, a positive or improved result or avoidance of loss, may consist of individual and/or Company-related goals and may be applied to a Participant or Participants on an individual basis or with respect to a business unit or division or the Company as a whole. For Exempt Cash Incentive Awards, a Performance Criterion will mean an objectively determinable measure or objectively determinable measures of performance relating to any or any combination of the following (measured either absolutely or comparatively (including, without limitation, by reference to an index or indices or a specified peer group) and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof and subject to such adjustments, if any, as the Committee specifies, consistent with the requirements of Section 162(m)): sales; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, amortization or equity expense, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital, capital employed or assets; one or more operating ratios; operating income or profit, including on an after tax basis; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; stockholder return; sales of particular products or services; same store sales; customer satisfaction; gross or net store openings, including timing of openings and achievement of growth targets with respect thereto; new store first year sales; customer acquisition or

retention; acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings. To the extent consistent with the requirements of Section 162(m), the Committee may establish, by the deadline that otherwise applies to the establishment of the terms of an Exempt Cash Incentive Award, that, in the case of any such Exempt Cash Incentive Award, one or more of the Performance Criteria applicable to such Cash Incentive Award will be adjusted in an objectively determinable manner to reflect events (for example, the impact of charges for restructurings, discontinued operations, mergers, acquisitions, and other unusual or infrequently occurring items, and the cumulative effects of tax or accounting changes, each as defined by U.S. generally accepted accounting principles) occurring during the Performance Period that affect the applicable Performance Criterion or Criteria. With respect to Cash Incentive Awards other than Exempt Cash Incentive Awards, the Administrator may provide that such Cash Incentive Award, and any related Performance Criterion or Criteria, will be adjusted in any manner prescribed by the Administrator in its sole discretion.

V. CERTIFICATION OF PERFORMANCE; AMOUNT PAYABLE UNDER AWARDS

As soon as practicable after the close of a Performance Period, the Administrator will determine whether and to what extent, if at all, the Performance Criterion or Criteria applicable to a Cash Incentive Award granted for the Performance Period have been satisfied and, in the case of Exempt Cash Incentive Awards, will take such steps as it determines to be sufficient to satisfy the certification requirement under Section 162(m) as to such performance results. The Administrator shall then determine the actual payment, if any, under each Cash Incentive Award. No amount may be paid under any Exempt Cash Incentive Award unless such certification requirement has been satisfied as set forth above, except as provided by the Administrator consistent with the requirements of Section 162(m). The Administrator may, in its sole and absolute discretion and with or without specifying its reasons for doing so, after determining the amount that would otherwise be payable under any Cash Incentive Award for a Performance Period, reduce (including to zero) the actual payment, if any, to be made under such Cash Incentive Award or, in the case of Cash Incentive Awards other than Exempt Cash Incentive Awards, otherwise adjust or increase the amount payable under such Cash Incentive Award. The Administrator may exercise the discretion described in the immediately preceding sentence either in individual cases or in ways that affect more than one Participant. The actual payment under an Exempt Cash Incentive Award may be less than (but in no event more than) the amount indicated by the certified level of achievement under such Cash Incentive Award. The actual payment under a Cash Incentive Award other than an Exempt Cash Incentive Award may be more or less than the amount indicated by the level of achievement under the Cash Incentive Award. In each case, the Administrator's discretionary determination, which may affect different Cash Incentive Awards differently, will be binding on all parties.

VI. PAYMENT UNDER AWARDS

Except as otherwise determined by the Administrator or as otherwise provided in this Section VI, all payments under the Plan will be made, if at all, not later than March 15th of the calendar year following the calendar year in which the Performance Period ends; provided, that the Administrator may authorize elective deferrals of any Cash Incentive Award payments in accordance with the deferral rules of Section 409A of the Code. Unless otherwise determined by the Administrator, a Cash Incentive Award payment will not be made unless a Participant has remained employed with the Company and its subsidiaries through the date of payment.

VII. PAYMENT LIMITS

The maximum amount payable to any person in any fiscal year of the Company under Exempt Cash Incentive Awards will be \$5,000,000, which limitation, with respect to any such Cash Incentive Awards for which payment is deferred in accordance with Section VI above, shall be applied without regard to such deferral.

VIII. TAX WITHHOLDING; LIMITATION ON LIABILITY

All payments under the Plan will be subject to reduction for applicable tax and other legally or contractually required withholdings.

Neither the Company nor any affiliate, nor the Administrator, nor any person acting on behalf of the Company, any affiliate, or the Administrator, will be liable for any adverse tax or other consequences to any Participant or to the estate or beneficiary of any Participant or to any other holder of a Cash Incentive Award that may arise or otherwise be asserted with respect to a Cash Incentive Award, including, but not limited to, by reason of the application of Section X below, or any acceleration of income, or any additional tax (including any interest and penalties) asserted by reason of the failure of a Cash Incentive Award to satisfy the requirements of Section 409A of the Code or by reason of Section 4999 of the Code, or otherwise asserted with respect to the Cash Incentive Award.

IX. AMENDMENT AND TERMINATION

The Committee or the Board of Directors of the Company may amend the Plan at any time and from time to time, and may terminate the Plan at any time.

X. MISCELLANEOUS

The Administrator may provide that Cash Incentive Awards will be subject to forfeiture, termination or rescission, and that a Participant will be obligated to return to the Company payments received with respect to a Cash Incentive Award, in connection with (i) a breach by the Participant of a Cash Incentive Award agreement or the Plan, or any non-competition, non-solicitation, confidentiality or similar covenant or agreement with the Company or any of its affiliates or (ii) an overpayment to the Participant of incentive compensation due to inaccurate financial data. Without limiting the generality of the foregoing, the Administrator may recover Cash Incentive Awards and payments under any Cash Incentive Award in accordance with any applicable Company clawback or recoupment policy, as such policy may be amended and in

effect from time to time, or as otherwise required by applicable law or applicable stock exchange listing standards, including, without limitation, Section 10D of the Securities Exchange Act of 1934, as amended. Each Participant, by accepting a Cash Incentive Award pursuant to the Plan, agrees to return the full amount required under this Section X at such time and in such manner as the Administrator shall determine in its sole discretion, consistent with applicable law.

In the case of any Exempt Cash Incentive Award, the Plan and such Cash Incentive Award will be construed and administered to the maximum extent permitted by law in a manner consistent with qualifying the Cash Incentive Award for the exemption for performance-based compensation under Section 162(m), notwithstanding anything to the contrary in the Plan. Cash Incentive Awards will not be required to comply with the provisions of the Plan applicable to Exempt Cash Incentive Awards (including, without limitation, the composition of the Committee as set forth in Section I above) if and to the extent they are eligible (as determined by the Committee) for exemption from such limitations by reason of the transition relief set forth in Treas. Reg. § 1.162-27(f).

The Plan shall be effective upon adoption of the Plan by the Board of Directors of the Company (the “Effective Date”) and shall supersede and replace the Company’s annual cash bonus program with respect to Cash Incentive Awards granted to eligible executive officers and employees for fiscal years beginning after the Effective Date.

SUBSIDIARIES OF PLANET FITNESS, INC.*

ENTITY	JURISDICTION
PF Co-Investors Holdings, Inc.	Delaware
PF AIV Holdings, Inc.	Delaware
Pla-Fit Holdings, LLC	Delaware
Planet Intermediate, LLC	Delaware
Planet Fitness Holdings, LLC	New Hampshire
Pla-Fit Health LLC	New Hampshire
PF Coventry, LLC	New Hampshire
Pla-Fit Health NJNY LLC	New Hampshire
Bayonne Fitness Group, LLC	New Jersey
Bayshore Fitness Group LLC	New York
601 Washington Street Fitness Group, LLC	New York
Levittown Fitness Group, LLC	New York
Long Island Fitness Group, LLC	New York
Melville Fitness Group, LLC	New York
Peekskill Fitness Group, LLC	New York
Carle Place Fitness LLC	New York
Edison Fitness Group LLC	New Jersey
1040 South Broadway Fitness Group	New York
JFZ LLC	New Hampshire
Pla-Fit Colorado LLC	New Hampshire
PF Derry LLC	New Hampshire
PFCA LLC	New Hampshire
PF Vallejo, LLC	California
Pizzazz, LLC	Pennsylvania
PFPA, LLC	New Hampshire
PF Kingston, LLC	New Hampshire
Pla-Fit Warminster LLC	New Hampshire
Pizzazz II, LLC	Pennsylvania
PF Greensburg LLC	Pennsylvania
PF Erie LLC	Pennsylvania
PFIP International	Cayman Islands
Planet Fitness Equipment LLC	New Hampshire
Pla-Fit Canada Inc.	British Columbia
Pla-Fit Canada Franchise Inc.	British Columbia
Pla-Fit Franchise LLC	New Hampshire
PFIP, LLC	New Hampshire
Planet Fitness NAF, LLC	New Hampshire

* After giving effect to the recapitalization transactions described in the accompanying prospectus.

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Planet Fitness, Inc.:

We consent to the use of our report dated March 25, 2015 with respect to the balance sheet of Planet Fitness, Inc. as of March 16, 2015, included herein and to the reference to our firm under the heading “Experts” in the prospectus.

We consent to the use of our report dated March 25, 2015 with respect to the consolidated balance sheets of Pla-Fit Holdings, LLC and subsidiaries as of December 31, 2013 and 2014 (Successor), and the related consolidated statements of operations, comprehensive income, cash flows, and changes in equity for the period from January 1, 2012 to November 7, 2012 (Predecessor), the period from November 8, 2012 to December 31, 2012 (Successor), and the years ended December 31, 2013 and 2014 (Successor), included herein and to the reference to our firm under the heading “Experts” in the prospectus.

/s/ KPMG LLP

Boston, Massachusetts
June 22, 2015