



Frequently Asked Questions

The Future of Peak Fitness – For Employees

1. Is Peak Fitness going to close?
 - a. No, we are not closing. We are filing for Chapter 11 Bankruptcy protection (see question 3 for details), also known as “reorganization.” We have agreed to be sold to a new company under a Section 363 sale of the U.S. Bankruptcy Code.
2. Are we closing more clubs?
 - a. There may be a couple of additional clubs that will close as we work through the reorganization process.
3. What is Chapter 11?
 - a. Chapter 11 is also called “reorganization.” The company continues under the court’s protection while attempting to reorganize its financial affairs. The debtor remains in control of its business operations as a debtor in possession and is subject to the oversight and jurisdiction of the court. Typical bankruptcy hearings take approximately 30-120 days.
4. Have we been sold to another company?
 - a. We have agreed to be acquired by an investment firm called Fuzion Investment Capital, LLC. The ownership change will not take place until the Bankruptcy process is completed and approved by the Court.
5. What will change?
 - a. Fuzion is committed to the ongoing operations of our facilities. Along with the acquisition, Fuzion we will be rebranding the company in the next few months. The new company will be a leaner, stronger with a commitment to be the lowest-cost full-service provider with a focus on customer service.
6. Are we making more job cutbacks?
 - a. At the current time we do not see it necessary to cut any more positions.
7. Are the facilities going to be upgraded?
 - a. The investment firm plans to make the necessary improvements to address upgrade requirements at each facility.



8. When will we get supplies?
 - a. We can expect the turnaround time after the filing to take approximately 30 to 120 days. Equipment and supply needs are on the top of the priority list as we reorganize.
9. Will clubs that have previously closed re-open?
 - a. No, there are no current plans to open clubs that have previously closed. In the future, however, we do plan to expand into markets that fit our business model.
10. Why are we not selling paid-in-full memberships?
 - a. The investment firm is committed to building a financially viable business model over the long term. Selling prepaid memberships at a discount is not part of the business model. We are positioning ourselves for long term success by building the monthly membership base.
 - b. The majority of states have laws in place that require fitness centers to be bonded if the clubs are selling pre-paid memberships. Due to adverse conditions in the financial markets, the ability to acquire pre-paid entertainment bonds is very difficult and expensive. The majority of health clubs including the YMCA do not offer prepaid memberships.
11. What do I do if a member or creditor calls the club with questions that I cannot answer?
 - a. Please direct them to the website first and then to the hotlines.

Website <http://www.peakfitnessclubs.com/reorganizing>

Members: 704-815-0753

Creditor/ Vendors: 704-815-0754

We want to thank you for all of your hard work and help during these recent tough times. Your assistance and patience are truly appreciated. We look forward to working with you to build a strong and healthy company.