

## Frequently Asked Questions

### *The Future of Peak Fitness – For members*

1. Is Peak Fitness going to close?
  - a. No, we are not closing. We are filing for Chapter 11 Bankruptcy protection, 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. Our plan is to continue operations as normal through the reorganization process.
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. Has Peak Fitness been sold to another company?
  - a. Peak Fitness has 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 the sale approved by the Court.
5. What changes will I see?
  - 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. Will clubs that have previously closed re-open in the future?
  - a. No, there are no current plans to open clubs that have closed. In the future, however, we do plan to expand into other regions that fit our target demographic.
7. Why can’t I pre-pay for my membership?
  - 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 position 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.
8. What if I already paid for my membership?
  - a. All prepaid memberships are being honored at all Peak Fitness clubs.
9. I have further questions, who do I contact?
  - a. Peak Fitness has established two numbers that can better assist you.  
Member questions: 704-815-0753  
Creditor/ Vendor questions: 704-815-0754

We look forward to building a strong and healthy company and want to thank you for your business. We look forward to providing clean and affordable facilities to meet your health and fitness needs.