

Body Training Systems® INSTRUCTOR AGREEMENT

"Effective Date": _____

Parties: (1) The STEP Company and its Body Training Systems® Division (collectively, "BTS")
2130 Newmarket Parkway, Marietta, GA 30067
(2) _____ ("INSTRUCTOR" or "you")

Check One Only: Group Power® ___ Group Kick® ___ Group Centergy® ___ Group Step® ___ Group Ride® ___ Group Groove® ___ Group Active® ___
Group Core™ ___ Other _____ (Complete a separate Instructor Agreement for each program that you will be teaching.)

- Background** BTS owns, or has exclusive rights to, the trademarks, copyrights, patents, choreography, arrangements of music, logos, designs, manuals, training materials, video tapes, audio tapes, CD's, DVD's, trade secrets and other intellectual property (collectively, the "Intellectual Property") related to the programmed exercise routines conducted to music known by the marks Group Power, Group Kick, Group Centergy, Group Step, Group Ride, Group Groove, and Group Active (collectively the "Marks"). BTS may amend this list of exercise routines from time to time to add or subtract additional routines by giving notice to INSTRUCTOR. INSTRUCTOR would like to conduct classes to instruct others to perform the exercise routine checked above (the "Exercise Routine"). This Agreement defines the terms and conditions of the legal relationship between BTS and INSTRUCTOR regarding the Exercise Routine. This is a binding, enforceable legal document as of the Effective Date. By signing this Agreement, you are acknowledging that you have read and understood the Agreement, and agreed to all of its terms and conditions.
- Instructor Duties.** In consideration for BTS training the INSTRUCTOR in the Exercise Routine, INSTRUCTOR agrees to do the following:
 - Training:** Attend and participate in training conducted by BTS in the Exercise Routine. If INSTRUCTOR completes the training and displays, in BTS' sole opinion, a high level of skill, BTS will train INSTRUCTOR to teach classes and individuals in the Exercise Routine. INSTRUCTOR may not use the Exercise Routine without completing this training.
 - Completion Assessment Video:** Submit a videotape of a class taught by INSTRUCTOR and the designated administration fee to BTS within 90 days of completion of Initial Training. BTS will evaluate the tape and reasonably determine INSTRUCTOR'S completion. Failure to submit such tape will automatically result in loss or denial of completion. INSTRUCTOR understands and agrees that employment of INSTRUCTOR is at the sole discretion of the Licensed Facilities and STEP has no obligation regarding employment of INSTRUCTOR.
 - Professionalism and Standards:** Conduct the Exercise Routine in accordance with the high standards of quality and professionalism associated with BTS, in accordance with all federal, state, provincial and local laws and ordinances and in accordance with policies and guidelines established by BTS from time to time.
 - Licensed Facilities:** Only conduct classes or instruction in the Exercise Routine at facilities currently licensed by BTS for the Exercise Routine and in good standing (the "Licensed Facility" or "Licensed Facilities"). INSTRUCTOR shall have the responsibility of confirming the licensing status of Licensed Facilities with BTS through the website at www.bodytrainingsystems.com or by calling 800-729-7837.
- Termination.** This Agreement may be terminated by BTS or INSTRUCTOR upon seven (7) days prior written notice by the terminating party, for any reason or no reason whatsoever. Upon termination, INSTRUCTOR shall immediately cease and forever desist all use of the Exercise Routine and Intellectual Property and INSTRUCTOR'S completion shall be immediately revoked. Sections 4-9 of the Agreement shall remain in force following termination.
- Non-Infringement and Return of Intellectual Property.** INSTRUCTOR acknowledges that (a) BTS has a valid and protectable interest in all of the Intellectual Property, including, without limitation, the Exercise Routine, including the choreography and the arrangement of music, which is copyright protected, the training courses, materials and manuals, which are copyright protected and trade secrets of BTS, and the Marks; and (b) BTS has agreed to provide INSTRUCTOR with limited access to and a license to use BTS' Intellectual Property only because INSTRUCTOR has agreed to comply with the terms of this Agreement. Therefore, INSTRUCTOR agrees not to (x) use, display, or reproduce any of BTS' Marks or variants thereof, or use any other trademarks or service marks in connection with the Exercise Routine, or create derivative works based on the Exercise Routine, without the prior written permission of BTS; (y) use, reproduce, distribute, or disclose to any party any or all of the training courses, materials, manuals, or other items or Intellectual Property provided by BTS to INSTRUCTOR constituting a trade secret of BTS as defined under applicable law; or (z) use, reproduce or perform the Exercise Routine other than during the term of, and in accordance with the provisions of, this Agreement. Upon termination of this Agreement for any reason, INSTRUCTOR shall immediately cease all use of the Intellectual Property and return to BTS any and all documents or other items containing any confidential or trade secret information of BTS, including, without limitation, all manuals, tapes, CD's, DVD's, choreography notes and training materials.
- Exclusivity.** INSTRUCTOR acknowledges and agrees: (a) that BTS is investing significant time, energy and money in training INSTRUCTOR in the Exercise Routine; (b) that it is critical for the safety, health and satisfaction of participants that the Exercise Routine only be taught in Licensed Facilities by instructors who have completed their Assessment Video in compliance with the BTS policies and guidelines; and (c) that BTS would be significantly damaged if the Exercise Routine were taught outside of Licensed Facilities, or by instructors without current completion, or not in compliance with the BTS policies and guidelines
- Damages and Relief for Breach.** INSTRUCTOR acknowledges that BTS' rights set out in Sections 2(d), 4 and 5 are special, unique and of extraordinary character and that, in the event that INSTRUCTOR violates this Agreement, BTS will be without adequate remedy at law. INSTRUCTOR agrees, therefore, that in the event he or she violates the terms of Sections 2(d), 4 or 5, BTS may, in addition to any remedies at law for damages or other relief, recover from INSTRUCTOR all costs of enforcement of these provisions, including, but not limited to, court costs and reasonable attorney's fees. In addition, to the extent INSTRUCTOR teaches the Exercise Routine in violation of Section 2(d) of this Agreement, INSTRUCTOR shall pay to BTS as liquidated damages, and not as a penalty, the sum of US\$300.00 (per Exercise Routine) representing the license fee of a facility, multiplied by the number of months INSTRUCTOR has breached the Agreement, multiplied (if applicable) by the number of facilities in which INSTRUCTOR has provided services breaching the Agreement. INSTRUCTOR acknowledges and agrees that the actual losses to be suffered by BTS in the event of violation of Section 2(d) will be difficult to ascertain, and that these reasonable liquidated damages have been arrived at after a good faith effort to estimate such losses.
- Independent Contractor.** In carrying out the obligations and duties under this Agreement, it is understood and agreed that INSTRUCTOR is acting as an independent contractor and not as an agent, partner, joint venturer or employee of BTS. Neither party shall have the right to bind or obligate the other in any manner whatsoever nor shall a party be liable for the representation, act or omission of the other party which is contrary to the provisions of this Section.
- Applicable Law.** This Agreement shall be construed, controlled and interpreted according to the laws of the State of Georgia and INSTRUCTOR specifically consents to jurisdiction in Georgia, agrees that venue for any dispute shall be only in the District Court for the Northern District of Georgia, Atlanta Division, or Cobb Superior Court, State of Georgia, and agrees to accept service of process by certified mail and waive any jurisdiction or venue defenses otherwise available.
- Miscellaneous.** BTS may freely assign this Agreement. INSTRUCTOR may not assign this Agreement. All provisions in this Agreement are severable, and the unenforceability or invalidity of any provision shall not affect the validity or enforceability of the remaining provisions. The waiver by either party of a default of any provision of this Agreement by the other party shall not operate as a waiver of any subsequent default of the same or any different provision by such party. This Agreement contains the complete agreement between the parties regarding the Exercise Routine and supersedes all other similar agreements or understandings between the parties regarding the Exercise Routine. All notices required under this Agreement shall be made, if to BTS, to the address set forth above and, if to INSTRUCTOR, to the address set forth in Schedule A, and shall be deemed received 3 days after deposit in the U.S. Mail or Canadian Mail or 1 day after deposit if sent via overnight mail. This Agreement may be amended only by writing executed by both parties. The Exercise Routines are physically demanding. Therefore, it is important that you are in very good physical shape. It is required that you participate in all aspects of the training for the entire time. If you have any medical conditions, including, but not limited to, heart problems, asthma or if you are pregnant, you must check with your doctor before participating in the training to confirm your ability to participate in and complete the training. Both parties represent that they have carefully read and considered and fully understand the provisions contained in this Agreement. Both parties hereto agree that they expressly require that the Agreement to be entered into between them, together with all related documents, all be drawn up, executed and distributed in the English language only. Les Parties aux presentes conviennent expressément que le Contrat qu'ils concluront entre eux, ainsi que tous les documents connexes ou qui s'y rattachent, soient entierelement rediges, signes et distribues en Anglais seulement.

"BTS" Body Training Systems Division and THE STEP COMPANY

"INSTRUCTOR"

Authorized Signature: _____



Authorized Signature: _____

Printed Name: Richard P. Boggs, CEO

Printed Name: _____

**BODY TRAINING SYSTEMS
INSTRUCTOR AGREEMENT
SCHEDULE B**

1. You are required to complete the allotted days and hours of the training, participating in all aspects of the training, including the Program Challenge. If you have medical conditions, including, but not limited to, heart problems, asthma or if you are pregnant, you must check with your doctor before participating in the training to confirm your ability to participate in and complete the training.
2. Personal conflicts should be addressed with your Group Fitness Director prior to the training.
3. YOU MUST BE ON TIME! If you arrive after the training begins, you will not be permitted into the training. No exceptions.
4. Failure to return on days 1, 2, or 3 of the training will result in a “No Show” and you will be required to repeat the training. However, you will only be responsible for the cost of new materials.
5. All refund requests must be emailed to training@thestep.com by 5 p.m. EST two (2) business days prior to the first day of the training. Your fee will be refunded less a \$50 administration fee. If you are a “No Show” for the first day of training you are not eligible for a refund.
6. You recognize that the Body Training Systems Fitness Class is a strenuous workout which is only appropriate for persons in good physical and mental health. You represent and warrant that you are healthy, under no physical or mental disability, and able to participate in the Body Training Systems Fitness Class. You forever waive, release and forever discharge THE STEP COMPANY and its employees, directors, agents, assigns, (collectively, “STEP”) from all manner of actions, causes of action, third-party actions, suits, claims, counterclaims, debts, accounts, covenants, agreements, promises, damages, and demands whatsoever that now exist or may hereafter accrue, known or unknown, in law or in equity which arise out of, allegedly arise out of, are based on or connected with, directly or indirectly, your participation in the Body Training Systems Fitness Class

This only applies to those instructors who have registered individually with BTS.

- A. Please bring the following to the training:

Required Items

1. Instructor Agreement (Schedule A), as well as any other confirmation documents.
2. Bring a music player.
3. Proper clothing and supportive shoes (excludes GROUP CENTERGY).

Optional Items

1. Towel (1 or more).
2. Change of clothes (dress in layers, as the temperature will vary).
3. Snacks and beverages.
4. DVD player if you are away from home and want to view the release at night.

- B. GROUP STEP participants are required to use one block under each side.

- C. Please plan on keeping your evenings free between days of the training. There will be homework!

I have read the above requirements and agree to comply.

Signature: _____
Print Name: _____
Date: _____