



TERMS AND CONDITIONS FOR REVENUE SHARING RELATING TO SERVICES

These terms and conditions are applicable to the relationship between you and Expresso Fitness Corporation (the "**Company**" or "**Expresso**") relating to the Company's sale of premium membership services to your facility members for use on the Company's equipment located at your health club facility (the "**Services**"). These terms and conditions are the complete agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements or understandings relating to the subject matter hereof. The terms and conditions set forth herein shall be deemed accepted by you if you (a) do not give written notification to the Company within ten (10) days of your receipt hereof advising the Company of any objections hereto; or (b) accept the payment with respect to the Services by cashing the check contained herein.

Any provisions that you propose which are inconsistent with or in addition to these terms set forth herein shall not be binding upon the Company. If the Company receives from you any proposed terms that are inconsistent with or in addition to these terms, these terms shall be deemed a counteroffer to your proposed terms which will be deemed accepted by you in the same manner provided above.

Services; Payments

The Company sells premium membership services at www.expresso.net, and these members are using the Company's equipment located at your facility. To the extent that your members pay Expresso at least an aggregate of \$142 for Services in any calendar quarter, Expresso agrees to pay you 35% of the difference between the amount that Expresso actually collects from your members with respect to these Services during such calendar quarter and the amount that Expresso refunds to your members for past Services during such calendar quarter. To the extent that any of your members are also members at another facility, Expresso will allocate the revenue share at their discretion. Any amounts owed to you shall be paid by Expresso within forty-five (45) days after the calendar quarter in question. On thirty (30) days prior written notice to you, Expresso shall have the right to reduce the percentage of Service revenue payable to you, as well as the minimum amount that Expresso agrees to pay you.

Limitation of Warranties

THE SERVICES PROVIDED BY THE COMPANY ARE PROVIDED ON AN "AS IS" BASIS WITHOUT ANY REPRESENTATIONS, WARRANTIES OR CONDITIONS OF ANY KIND, WHETHER EXPRESS OR IMPLIED, OUT OF A COURSE OF DEALING OR USAGE, TRADE OR OTHERWISE, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE

Intellectual Property Rights

The Company is not transferring any patent, copyright, trademark, trade secret or other intellectual property rights to you in connection with their performance of the Service.

Limitation of Liability

TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE COMPANY SHALL NOT BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR OTHER DAMAGES OR EXPENSES OF ANY KIND, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY, EVEN IF THE COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE COMPANY'S LIABILITY TO YOU IN ALL CIRCUMSTANCES SHALL BE LIMITED TO THE AMOUNTS COLLECTED BY THE COMPANY WITH RESPECT TO THE SALE OF SERVICES TO YOUR HEALTH CLUB MEMBERS THAT ARE THE SUBJECT MATTER OR ANY DISPUTE.