



**Richmond Fitness/American Family Fitness
2008 Greater Richmond Chamber Impact Award Application
Confidential Application**

When was the primary business founded: December 1990

Business form: Corporation

Business name: Richmond Fitness/American Family Fitness

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Brief overview of business

American Family Fitness is the largest private health club in the Richmond area. Operated by Richmond Fitness, there are seven American Family Fitness locations throughout Central Virginia and Fredericksburg with approximately 110,000 members. American Family Fitness consistently ranks in the top 100 privately-owned health clubs in North America by Club Industry magazine, one of the top fitness publications. In 2006, we were ranked the 34th largest for-profit club, and we expect that ranking to rise for 2007.

When Richmond Fitness purchased the American Family Fitness name in 1990, there were two club locations (one had been open for two years while the other had been open nine months), approximately 15,000 members and 150 employees. Eighteen years later, there are seven locations, more than 110,000 members and more than 900 employees. American Family Fitness facilities are located in the Richmond/Petersburg area in Mechanicsville, Northside, Southside, Colonial Heights, Swift Creek near Brandermill and Short Pump in our new, 90,000+-square-foot facility, our largest location to date. In February 2007, we opened our first location outside of Richmond in Fredericksburg.

American Family Fitness offers a variety of fitness programs catering to the unique needs of each of our members. Our tag line, "Fit as you want to be," encourages members to use our facilities to meet individual goals – be strong, be motivated, be fit, be young, be whatever they want to be. We are not a one-size-fits-all health club. Whatever our members' goals, our clubs are equipped with the programs, equipment and staff to help them succeed.

No overview of American Family Fitness would be complete without mentioning our active community involvement. As you'll discover in the Contributions to the Community section, impacting our community is an integral part of who we are. Last year we donated more than \$300,000 in financial and in-kind gifts to area organizations, and we are on track to make a similar impact this year.

Business growth and performance

Fiscal Year	Number of Employees	Gross Sales (\$)
2003	555	
2004	642	
2005	645	
2006	683	
2007	874	

Quality Work Environment

American Family Fitness promotes a true family environment for our more than 900 full and part-time employees. Our employees cite the positive, family-oriented environment and promotion of health and fitness as primary reasons for working here. All employees, full and part-time, receive free memberships to our seven health club locations, and employee families receive a 50 percent discount on membership rates. Each year we partner with an outside organization to offer flu shots to employees and members in our clubs to encourage them to stay healthy and to make it easy to do so. Employees are encouraged to attend seminars and continuing education programs, many of which are reimbursed by American Family Fitness. We also have programs in place to reimburse employees for many of the fitness and training certifications required to do their jobs. In addition, we pay to bring nationally-known industry presenters to our clubs for new program training and skill certifications.

Despite being spread across seven locations and our corporate office in Innsbrook, American Family's employees feel like they're part of a unified family and enjoy many opportunities for social interaction. All employees and a guest are invited to the annual holiday party, and each club location sponsors potluck meals for employees at Thanksgiving and Christmas. Employees from each of our seven clubs and the corporate office also participate in Meals on Wheels deliveries once a month, giving individual location employees opportunities to interact outside of the work environment. For many years, our employees also volunteered for the annual Christmas in April program.

American Family Fitness employees are encouraged to advance within the company and receive the necessary training and education to do so. Employees without college degrees have been supported financially and professionally to return to school to earn degrees and training to advance into management positions. Employees also have access

to and support of our company president, who supports flexible hours and opportunities to attend to personal and family needs. Employees say Brian Evans, American Family's president, truly cares about his employees.

American Family Fitness also provides health, dental, life and short and long-term disability insurance, sick and vacation pay, and a 401(k) program to full-time employees.

Response to Adversity

With more than 900 employees, 65 percent of whom are part-time, spread out over eight locations, it can be difficult to attract and retain loyal employees. We have been able to build a strong, unified workforce by offering a non-intimidating, relaxed work environment. By providing a great atmosphere filled with positive employees who truly care about each other and our members, the attitude rubs off on others in such a positive way that people want to be part of our organization, even if only part-time. We pride ourselves on the tenure of our employees, including our seven club general managers who have all been with American Family for at least 10 years and many for 15. Our assistant general managers and department heads also have long tenures with American Family, which helps aid in overall employee retention, one of the biggest challenges in today's work force. The familiar faces of our front desk and fitness staffs are noticed by our members who appreciate knowing they can count on these staff members each time they enter one of our clubs.

As a for-profit company, American Family Fitness has to work twice as hard at what we do because our largest competitor, the YMCA, provides a majority of the same services and is totally tax-exempt, which essentially creates an unfair playing field for business competition in the same industry. This non-profit status provides an estimated annual savings of a couple million tax dollars for the local YMCAs. For American Family, this means we have to spend more time and money in advertising and marketing the benefits of American Family Fitness to our consumers then show these benefits inside our clubs to our members. We have been successful in our efforts by training our staff to recognize the importance of our daily commitment to our members and consistently showing our appreciation to our members. It is an on-going challenge to provide this service day in and day out, and we make a considerable financial commitment to this goal by providing industry-specific customer service and position skill training to key staff. We send many of our staff to industry trade shows to attend training and seminars and also bring experts to Richmond for in-house training.

As the fitness industry continues to grow, there is more competition for members. We have continued to grow by remaining committed to member benefit sales training instead of just selling a fitness membership or an attractive club. We want to make a difference in our members' lives and want to educate them about the importance of investing in their health and longevity. We also develop services and programs that cater to specific demographic needs (as outlined in the Innovation section) and encourage our members to provide feedback about our clubs and activities.

Contributions to the Community

American Family Fitness impacts the Richmond community by annually donating more than \$300,000 in funds and in-kind gifts to area schools and organizations. We encourage employees and members to make suggestions for worthwhile charities and annually support more than 30 local organizations. Some of our efforts include:

- Boys & Girls Clubs of Metro Richmond – In 2007 we partnered with the Boys & Girls Clubs of Metro Richmond by committing \$750,000 over three years for a re-building campaign, starting with the re-opening of the West End/Teen Center Unit near Virginia Commonwealth University. We also have made numerous donations of fitness equipment to individual Boys & Girls Club locations and encourage our employees to volunteer their time by leading fitness classes and activities. This summer we sponsored four youth from area Boys & Girls Club locations to attend the Ben Wallace basketball camp.
- Children's Hospital – American Family Fitness has been involved with Children's Hospital since 1997 and this October will sponsor our sixth annual 5K/10K Run/Walk to benefit the organization. Funds raised from this event as well as a golf tournament we started two years ago and other general donations have funded medical equipment purchases, the renovation and expansion of the hospital's Transitional Care Unit and Dental Clinic, an annual beach trip for residents of the hospital's Transitional Care Unit and this fall's planned renovation of the hospital's playground. In the last 11 years, we have donated more than \$229,000 to Children's Hospital.
- Atlee Community Church – In 2007 we donated \$125,000 for the church's expansion and other organizational needs.
- Special Olympics – We have been supporting Special Olympics since 1997. In 2007 we sponsored and sent four of eight qualifying Virginia Special Olympic athletes to the World Games in Shanghai, China and have committed \$25,000 to sending eight athletes and three coaches to the World Games in Boise, Idaho in 2009. We've also donated billboard space to promote the summer games and made numerous in-kind donations for the organization's annual golf tournament and walk.
- Central Virginia Food Bank - Each July American Family Fitness hosts a food drive at our seven locations to benefit the Central Virginia Food Bank. We encourage employees and members to make donations then we match those donations pound per pound. In 2006, we donated 548 pounds of food, and in 2007, we more than doubled our contributions with 1,223 pounds of food.
- Meals on Wheels – Employees at each of American Family's seven locations and our corporate office deliver meals monthly for Meals on Wheels. We also support the organization with monetary donations, are a route sponsor and annually organize a team for the organization's Bowl-A-Thon.

- Toys for Tots - Since 1998 we have partnered with Toys for Tots and Main Line Radio for the annual holiday toy drive to benefit families through the Salvation Army. Since our partnership began, we have collected more than 12,000 toys for underprivileged children and teens.
- Virginia Blood Services – American Family Fitness hosts three blood drives for Virginia Blood Services each year. Since our partnership began in 2004, we have provided 1,170 units of blood.
- Scholarships for high school students – In 2007 we presented our first \$1,000 scholarship to a graduating senior from Hanover County’s Lee Davis High School. This year we expanded the scholarship program to include one \$3,000 and two \$1,000 scholarships for three deserving area high school seniors.
- Henrico County Public Schools – As part of our new Short Pump location construction, we donated \$1,200 to the Henrico County Health and Physical Education Program to buy heart rate monitors to use in alternative physical education courses for special needs students.

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- *Advocacy*

We also support local and national advocacy efforts regarding legislation for health and fitness issues. In January 2008 we partnered with the Sportsbackers and the American Heart Association to support House Bill 242, which called for a required 150 minutes of weekly physical education for students in grades K-12. While the bill was passed in an amended format, the support from our employees and members impacted the community by raising awareness of the lack of time allocated to physical activity during school hours and reminding lawmakers of the growing problem of childhood inactivity and obesity.

From our community partners

“As a member of the Richmond corporate community, American Family Fitness has made a powerful impact on the community at-large. Their growth in locations, physical plant and membership is obvious as they have become the leader in the health and fitness industry in the Richmond and Tri-Cities area. As a member of the philanthropic community, American Family Fitness has made even a greater impact. American Family Fitness’ financial commitment to Boys & Girls Clubs of Metro Richmond was the foundation for the re-opening of the West End/Teen Center Unit in the Randolph section of Richmond. The generosity, support and commitment made by American Family Fitness is providing life-changing opportunities and programs for more than 350 disadvantaged children at the West End/Teen Center Unit and assisting with providing roughly 4,000 children served by Boys & Girls Clubs of Metro Richmond the opportunity to become caring, productive and responsible citizens.”

- Todd McFarlane, President/CEO, Boys & Girls Clubs of Metro Richmond

“American Family Fitness is truly committed to improving the health and well-being of the greater Richmond community. Through their efforts associated with the AFF 5K/10K, AFF’s employees have organized an event that is widely known, well organized and includes the community benefit component of support for Children’s Hospital Foundation. The level of attention that AFF staff provides to this event is incomparable in the health benefit that is provided through the planned activities and the sense of

community that is promoted through the interaction with staff members, volunteers and participants. All of this comes together in an event that demonstrates compassion for and a willingness to support a charitable organization that depends on the generosity of the community to continue to serve over 7,000 children each year.”

- Chris Broughton-Spruill, Executive Vice President, Children’s Hospital Foundation

Innovation

Like most industries, the fitness industry is constantly evolving. To stay current and ahead of trends, we are involved with the top fitness trade association, IHRSA, the International Health Racquet and Sportsclub Association, and attend a variety of fitness trade shows and events throughout the year.

We’ve developed a variety of innovative programs in our quest to encourage Richmonders to adopt healthier lifestyles. Some of our programs that have impacted the community include:

- Unique fitness programs targeted to specific demographic groups
 - In 2006, we initiated **Buff Brides**, an eight-week program designed to get brides-to-be in shape for their wedding day. The all-encompassing program includes nutrition seminars, group fitness classes, personal training sessions and a massage or tanning session. In the fall of 2008 the Buff Brides program will be taking on a new form that will include all of the wedding party, bride and groom etc.
 - In 2007, we started **Hot Mamas**, a 12-week customized program for prenatal and postpartum moms offering personal training sessions, access to fitness and aquatic instructors, massage and a support system of others moms and moms-to-be.
 - Our **Thrive** class is a medically-based therapeutic exercise program designed for individuals with chronic illnesses like cancer, lymphedema, MS, Parkinson’s disease, chronic fatigue syndrome, fibromyalgia and arthritis as well as those interested in a gentle yet effective workout.
 - Modeled after the popular television show “The Biggest Loser,” American Family created its “**Be A Loser**” program where two teams from each of our seven locations participate in group personal training sessions, cardiovascular sessions, nutritional seminars, grocery store tours, restaurant outings, cooking lessons, and outside lifestyle activities during the six-month program. Participants are selected based on personal interviews and an interest in losing 40-120 pounds, and fitness assessments are conducted every six weeks to measure the percentage of body fat, circumference measurements, and weight lost. Since the program began in 2006, 170 individuals have lost more than 4,620 pounds and 2,760 inches and dramatically improved their lifestyles.
 - Offered in 2005 and 2006, **Fit Families** offered free classes and seminars to the general public with a focus on families during two wintertime

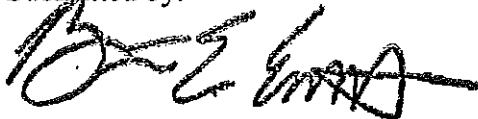
- Offered in 2005 and 2006, **Fit Families** offered free classes and seminars to the general public with a focus on families during two wintertime sessions. Families were invited to visit our clubs during free Fit Families sessions to learn about health and fitness and workout together.
- School partnerships – Knowing that physical education programs are being reduced or eliminated from areas schools, American Family Fitness has been partnering with two Chesterfield County schools to offer free use of our health clubs and/or instructors to lead programs at no cost at the schools. We're currently working with multiple Fit for Life physical education classes at Monacan and L.C. Bird High Schools.
- Wounded Warrior program - Implemented in March 2008, our partnership with Fort Lee helps wounded soldiers regain strength and stamina through aquatic exercise. Each week, five to 10 soldiers from Fort Lee's Warrior Transition Unit visit our Colonial Heights location for aquatic physical therapy and free use of the club's pool.
- Partnerships with outside organizations – As a convenience for our members, American Family Fitness partners with a variety of Richmond organizations to offer services and programs for our members. Many of our locations offer karate classes through a partnership with ATA, Martial Arts, and our Short Pump location is also home to Henrico Doctors Physical Therapy and Velocity Sports Performance, which provides sports-specific and agility training designed to enhance agility, flexibility, strength and speed and focuses on building self-esteem and self-confidence for members ages seven to 18. Each winter we also partner with an outside organization to offer flu shots at each of our locations.
- Handicapped accessibility – American Family Fitness strives to accommodate all of our members' individual needs. Our new Short Pump location includes a dedicated equipment training area that is wheelchair accessible and a mechanical lift in the pool area to help members with physical limitations enter and exit the swimming pool.
- Making workouts easier –
 - Scheduled to roll out at our Short Pump location later this summer, the **Wellness System** issues members a Wellness Key that allows them to follow and view their personal goals, exercise programs and progress each time they workout. When the Wellness Key is inserted into each piece of equipment, the machine starts automatically set to that individual's personalized workout routine. Members save time by not having to reset machines or count repetitions, and American Family can better track equipment usage, repair needs and member needs.
 - **AmFam U**, a free eight-week program for individuals new to exercise or those who have not worked out in a while, eliminates the initial feelings of confusion or apprehension that many people have when joining a health club. AmFamU students have access to trainers to teach them how to use equipment and design a workout program to meet their needs.
- Children's & family programming – Our Short Pump location offers expanded areas for children's and family programming to encourage families to work out

together. We also have a regulation-size basketball court for youth and family play and offer popular group exercise classes like cycling and Zumba in family-friendly sessions for both parents and children. In late July, we'll open the iTech Xrcade, an interactive gaming concept with virtual reality components geared toward teens and adults.

Other Outstanding Accomplishments

- American Family Fitness was named the "Best Social Sports Club" by Richmond magazine in 2008.
- In February 2008, American Family Fitness received a Merit award from Virginia Blood Services for our support of the organization's blood drives.
- Brian Evans, president of American Family Fitness, was honored with the 2007 Man/Youth Award, the Boys & Girls Clubs of Metro Richmond's top volunteer award, in November 2007. The Man/Youth Award is one of the highest honors that can be bestowed upon an individual whom has provided or performed exemplary service or action in support of children at Boys & Girls Clubs of Metro Richmond.
- American Family Fitness was ranked the 34th largest revenue producing for-profit health club in North America in 2005 and 2006 by *Club Industry* magazine, one of the top fitness publications.
- Club Industry's Best Community-based program (awarded for our Fit Families program in 2005)
- Richmond Fitness was ranked the fifth (out of 25) largest growing company in Richmond by the Chamber of Commerce for 1995.

Submitted by:



Brian Evans
President
Richmond Fitness/American Family Fitness

July 18, 2008