

BALLY TOTAL FITNESS HOLDING CORPORATION
(together with its subsidiaries, the “Company”)

AMENDED

AUDIT COMMITTEE CHARTER

The Board of Directors of the Company (the “Board”) adopted and approved this amended charter (“Charter”) of the Audit Committee (the “Audit Committee”) on March 8, 2005.

I. Overview

- A. The Audit Committee represents and assists the Board in fulfilling its responsibility for oversight of:
1. the integrity of the Company’s financial statements;
 2. the Company’s compliance with legal and regulatory requirements;
 3. the independent auditor’s qualifications and independence; and
 4. the performance of the Company’s internal audit function and independent auditor.
- B. The independent auditor directly reports to the Audit Committee. The Audit Committee is also charged with preparing an audit committee report as required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement.
- C. The Audit Committee’s responsibility is limited to oversight. Although the Audit Committee has the responsibilities set forth in this Charter, it is not the responsibility of the Audit Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosure are complete and accurate and are in accordance with generally accepted accounting principles and applicable laws, rules and regulations. These are the responsibilities of management, the Disclosure Committee of the Company (the "Disclosure Committee), the internal auditor (or others responsible for the internal audit function, including contracted non-employee or audit or accounting firms engaged to provide internal audit services) (the “Internal Auditors”) and the independent auditor.

- D. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services, for payment of compensation to any advisers employed by the Audit Committee and for ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

II. Composition

- A. The Audit Committee will consist of at least three members of the Board that the Board, in its business judgment, determines are (or become within a reasonable time after being appointed to the Audit Committee) financially literate. The Board will include one member who qualifies as an audit committee financial expert, as defined by the SEC. The Board also must determine, in its business judgment, that at least one member of the Audit Committee has accounting or related financial management expertise in accordance with NYSE listing standards. The Board may presume that a member meeting the criteria for an audit committee financial expert satisfies this requirement. Members may be removed from the Audit Committee, with or without cause, by the Board.
- B. Each member must be free of any relationship to the Company that may interfere with his or her exercise of judgment independent of management and the Company and must satisfy the SEC's and NYSE's requirements for independent director.

III. Chair

The Board will appoint one member of the Audit Committee as chairperson, who will be responsible for leadership of the Audit Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting to the Board. The chairperson will also maintain regular liaison with the Company's chief executive officer, chief financial officer and manager of internal audit as well as the lead partner for the independent auditor. The chairperson is hereby delegated the authority to act on behalf of the Audit Committee in his or her discretion and specifically to approve non-audit services provided to the Company by the independent auditor, subject to restrictions, if any, on delegation of the Audit Committee's duties and responsibilities provided by law, regulation and the terms of this Charter.

IV. Responsibilities

The following tasks are the responsibility of the Audit Committee.

- A. Select, retain and terminate when appropriate, the independent auditor, set the independent auditor's compensation, and pre-approve all audit services to be provided by the independent auditor. The retention of the independent auditor by the Audit Committee shall be subject to stockholder ratification.

- B. Oversee the work of the independent auditor (including resolution of any disagreements between Company management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company.
- C. Pre-approve all permitted non-audit services to be performed by the independent auditor (including the fees and terms thereof).
- D. Establish procedures for the confidential and anonymous receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
- E. Engage independent counsel and other advisers as it determines necessary to fulfill its responsibilities.
- F. Determine the amounts necessary to pay:
 - 1. the independent auditor;
 - 2. any advisers employed by the Audit Committee; and
 - 3. the administrative expenses of the Audit Committee.
- G. Review determinations of the Disclosure Committee regarding significant deficiencies or material weaknesses in the Company's Disclosure Controls (as defined in the Disclosure Committee Charter).
- H. Recommend to the Board whether the financial statements should be included in the Company's annual report on Form 10-K and provide the Company with the report of the Audit Committee with respect to the audited financial statements for inclusion in each of the Company's annual proxy statements.
- I. At least annually:
 - 1. conduct a performance evaluation of the Audit Committee;
 - 2. evaluate the adequacy of this Charter;
 - 3. consider the independence of the independent auditor, including whether the provision by the independent auditor of permitted non-audit services is compatible with independence; and
 - 4. review and approve recommended changes to the Disclosure Committee Charter proposed by the Disclosure Committee.

- J. Receive and respond appropriately to any report from the independent auditor of information that an illegal act, whether or not material to the financial statements of the Company, has or may have occurred.
- K. Review and discuss with management and the independent auditor: (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (ii) any analyses prepared by management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative GAAP methods on the Company's financial statements; and (iii) the effect of regulatory and accounting initiatives, including any off-balance sheet structures, on the Company's financial statements.
- L. Review with the independent auditor any problems or difficulties the independent auditor may have encountered during the course of the audit work, including any restrictions on the scope of activities or access to required information or any significant disagreements with management and management's responses to such matters. The Audit Committee shall obtain from the independent auditor assurances that Section 10A(b) of the Exchange Act has not been implicated.
- M. Before the independent auditor files its audit report with the SEC, review and discuss with the independent auditor a report from the independent auditor regarding:
 - 1. all critical accounting policies and practices used in the annual report;
 - 2. all alternative treatments within GAAP for policies and practices of material items that were discussed with management, including the ramifications of their use and the treatment preferred by the independent auditor; and
 - 3. other material written communications between the independent auditor and management.
- N. At least annually, review the independence and quality control procedures of the independent auditor and the experience and qualifications of the independent auditor's senior personnel that are providing audit services to the Company. In conducting its review, the Audit Committee shall:

1. obtain and review a report by the independent auditor describing the independent auditor's internal quality-control procedures and any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
 2. discuss with the independent auditor its independence from the Company and obtain and review a written statement prepared by the independent auditor describing all relationships between the independent auditor and the Company, consistent with the Independence Standards Board Standard 1, and consider the impact that any relationship or services may have on the objectivity and independence of the independent auditor .
- O. Assure the timely rotation of the lead audit partner as required by law.
- P. Review with management, the Disclosure Committee and the independent auditor, before publication, the annual and quarterly financial statements of the Company, including:
1. the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations";
 2. any material changes in accounting principles or practices used in preparing the financial statements prior to the filing of a report on Form 10-K or 10-Q with the SEC; and
 3. the items required by Statement of Auditing Standards No. 61 in the case of the annual statements and Statement of Auditing Standards No. 71 in the case of the quarterly statements.
- Q. Discuss with management and the Disclosure Committee the Company's earnings press releases prior to release, as well as guidelines for financial information and earnings guidance provided publicly.
- R. Discuss with management the Company policies with respect to risk assessment, risk management, and the Company's significant risk exposures and the action that management has taken to limit, monitor and control such expenses and review contingent liabilities and risks and major legislative and regulatory developments that could be material to the Company.
- S. Periodically meet separately with management, Internal Auditors (or other personnel responsible for the internal audit function) and the independent auditor.

- T. Review with the independent auditor, the Internal Auditors, the Disclosure Committee and management:
 - 1. the adequacy and effectiveness of the systems of internal controls (including any significant deficiencies and significant changes in internal controls reported to the Audit Committee by the independent auditor or management), accounting practices, and disclosure controls and procedures (and management reports thereon), of the Company and its subsidiaries; and
 - 2. current accounting trends and developments.
- U. Set policies for hiring employees or former employees of the independent auditor.
- V. Report (i) regularly to the Board regarding the activities of the Audit Committee; (ii) any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor, and the performance of the Company's internal audit function; and (iii) any other matter the Audit Committee determines is necessary or advisable to report to the Board.
- W. Discuss with management, the Disclosure Committee and the independent auditor any related-party transactions brought to the Audit Committee's attention which could reasonably be expected to be disclosed in the Company's financial statements or other documents filed with the SEC.
- X. Discuss with management and the independent auditor any correspondence from or with regulators or governmental agencies, any employee complaints or any published reports that raise material issues regarding the Company's financial statements, financial reporting process, accounting policies or internal audit function.
- Y. Discuss with the Company's General Counsel or outside counsel any legal matters brought to the Audit Committee's attention that could reasonably be expected to have a material impact on the Company's financial statements.
- Z. Oversee the implementation of the Code of Business Conduct, Practices and Ethics (the "Code") and review any allegation that an executive officer or director may have violated the Code and report its findings to the Board.

V. Meetings

The Audit Committee shall meet at least four (4) times during each fiscal year and more frequently as the Audit Committee deems desirable.