

LIFE TIME FITNESS INC

Form 8-K

February 22, 2005

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) February 16, 2005

Life Time Fitness, Inc.

(Exact name of Registrant as specified in its charter)

Minnesota

001-32230

41-1689746

(State or other jurisdiction of incorporation)

(Commission File Number)

(IRS Employer Identification No.)

**6442 City West Parkway
Eden Prairie, Minnesota**

55344

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code **(952) 947-0000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

TABLE OF CONTENTS

Item 1.01. Entry into a Material Definitive Agreement.

Item 9.01. Financial Statements and Exhibits.

SIGNATURES

EXHIBIT INDEX

Form of 2005 Key Executive Incentive Compensation Plan

Table of Contents**Item 1.01. Entry into a Material Definitive Agreement.*****2005 Key Executive Incentive Compensation Plan***

On February 16, 2005 the Compensation Committee of the Board of Directors of Life Time Fitness, Inc. (the Company) approved the 2005 Key Executive Incentive Compensation Plan (the Incentive Plan) for the Company's executive officers. The form of Incentive Plan award is attached hereto as Exhibit 10.1 and incorporated herein by reference. The Incentive Plan provides for monthly payouts based on the Company's earnings before taxes (EBT) or earnings before interest, taxes, depreciation and amortization (EBITDA) for the year-to-date period (YTD) as compared against the Company's financial plan. In addition, the Incentive Plan provides for an additional year-end payment based on the Company's capital expenditures (CapEx) as compared to the Company's 2005 financial plan. The payout formulas are described in more detail in the form of Incentive Plan award filed as an exhibit. The Incentive Plan award for each executive officer specifies the Guaranteed Pay (salary) and Target Pay (salary plus incentive amount) for that executive officer, which are listed below:

| Executive Officer | Guaranteed Pay | Target Pay | Monthly Payout Measure |
|---|-----------------------|-------------------|-------------------------------|
| Bahram Akradi Chairman of the Board of Directors, President and Chief Executive Officer | \$ 870,000 | \$ 1,275,000 | EBT |
| Stephen F. Rowland, Jr. President, FCA Construction Holdings, LLC | \$ 300,000 | \$ 450,000 | EBITDA |
| Michael J. Gerend Executive Vice President and Chief Operating Officer | \$ 300,000 | \$ 450,000 | EBITDA |
| Michael R. Robinson Executive Vice President and Chief Financial Officer | \$ 264,000 | \$ 400,000 | EBT |
| Mark L. Zaebst Senior Vice President, Real Estate and Development | \$ 180,000 | \$ 252,000 | EBITDA |
| Eric J. Buss Senior Vice President of Corporate Development, General Counsel and Secretary | \$ 180,000 | \$ 240,000 | EBT |

Item 9.01. Financial Statements and Exhibits.

The following Exhibit is being filed herewith:

10.1 Form of 2005 Key Executive Incentive Compensation Plan.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LIFE TIME FITNESS, INC.

Date: February 22, 2005

By: /s/ Michael R. Robinson
Michael R. Robinson
Executive Vice President and Chief
Financial Officer

3

Table of Contents

EXHIBIT INDEX

| No. | Exhibit | Manner of Filing |
|------|---|-------------------------|
| 10.1 | Form of 2005 Key Executive Incentive Compensation Plan. | Filed Electronically |

4