

## FRANCHISE DISCLOSURE DOCUMENT



Live 2 B Healthy Senior Fitness, LLC  
A Minnesota Limited Liability Company  
3485 230th St. E.  
Prior Lake, Minnesota 55372  
651-661-9351  
[Franchise@Live2BHealthy.com](mailto:Franchise@Live2BHealthy.com)  
[www.Live2BHealthy.com](http://www.Live2BHealthy.com)

The Live 2 B Healthy® Senior Fitness system offers fitness and other programs to senior residential community residents and staff, senior citizen centers, and community centers. We award franchises allowing franchisees to offer Live 2 B Healthy® Senior Fitness programs. Your Live 2 B Healthy® Senior Fitness business will offer proprietary fitness training programs specially designed for seniors and staff at senior communities, senior citizen centers, and community centers located in Protected Territory(ies). You may also offer these programs to seniors and staff members at churches, parks, and businesses.

The total investment necessary to begin operation of a Live 2 B Healthy® Senior Fitness franchise is from \$57,725 to \$227,220. This includes from \$56,500 to \$214,000 that must be paid to us.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our franchise administration office at 3485 230th St. E., Prior Lake, Minnesota 55372, and telephone number 651-661-9351 .

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: July 5, 2024.

## How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

### QUESTION

**How much can I earn?**

**How much will I need to invest?**

**Does the franchisor have the financial ability to provide support to my business?**

**Is the franchise system stable, growing, or shrinking?**

**Will my business be the only Live 2 B Healthy® Senior Fitness in my area?**

**Does the franchisor have a troubled legal history?**

**What's it like to be a Live 2 B Healthy® Senior Fitness franchisee?**

**What else should I know?**

### WHERE TO FIND INFORMATION

Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.

Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.

Item 21 or Exhibit B includes financial statements. Review these statements carefully.

Item 20 summarizes the recent history of the number of company-owned and franchised outlets. Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.

Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.

Item 20 or Exhibit [ ] lists current and former franchisees. You can contact them to ask about their experiences.

These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

**Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

**Operating restrictions.** The franchise agreement prohibits you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete or grant other the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

### Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

## Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out of State Dispute Resolution.** The franchise agreement permits you to mediate, arbitrate or litigate with us only in Minnesota. Out of state mediation, arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate or litigate with us in Minnesota than in your home state.
2. **Mandatory minimum payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” to see whether your state requires other risks to be highlighted.

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EXHIBITS

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**ITEM 1**  
**THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

To simplify the language in this disclosure document, “we” or “us” means Live 2 B Healthy Senior Fitness, LLC, the franchisor. “You” means the person or entity that buys the franchise, the franchisee. If the franchisee is a corporation, partnership or other entity, “you” may also include the franchisee’s owners.

We are a Minnesota limited liability company organized on January 18, 2010. Our principal place of business is at 3485 230th St. E., Prior Lake, Minnesota 55372. We will accept service of process at our principal business address, except that for the states listed in Exhibit A that include an agent for service of process, our agent for service of process for each such state will be that listed for the particular state.

We do business under our corporate name and as “Live 2 B Healthy® Senior Fitness” and “L2BH™”. We were formed in January, 2010 to develop and operate the Live 2 B Healthy® Senior Fitness franchise system. As of the end of 2023, we had 22 Live 2 B Healthy® Senior Fitness franchises in operation. We have not conducted business in any other line of business. We do not offer franchises in any other line of business. We do not operate businesses of the type being franchised, except that we may temporarily operate businesses that franchisees no longer operate while we find a new franchisee to operate such businesses. We have no other business activity. We have no predecessors. We have no parent company. We currently have no affiliates that offer franchises in any line of business or provide products or services to our franchisees.

Our affiliate Live 2 B Healthy, Inc. began offering the Live 2 B Healthy® Senior Fitness programs in January 2008, but no longer offers the programs and has no franchisees or licensees. Live 2 B Healthy, Inc. owns and operates the Natural Fitness health club in Belle Plaine, Minnesota and it is an independent distributor of Shaklee nutritional and health products. Our affiliates have never offered franchises of any type.

We offer you the right to operate a franchised Live 2 B Healthy® Senior Fitness business using the Live 2 B Healthy® Senior Fitness trademark or other trademarks that we may designate. Your Live 2 B Healthy® Senior Fitness business will offer the Live 2 B Healthy® Senior Fitness programs at senior living communities, senior citizen centers, community centers, and other similar facilities for seniors (“Senior Communities”). Some of our franchisees have also begun offering the Live 2 B Healthy® Senior Fitness programs at non-traditional facilities such as condominiums and cooperatives. You may also offer these programs to seniors and staff members at churches, parks, and businesses. As we expand into new markets, there may be more viable non-traditional facilities that can be used as venues for our Live 2 B Healthy® Senior Fitness programs.

You will provide and promote through co-branding with the Senior Communities on-site fitness classes at the Senior Communities that contract with you. These classes are designed to help seniors regain their balance, mobility, flexibility and strength. We have multiple levels of exercise programs and seniors will undergo testing to determine the appropriate class for each of them. Our programs are also designed to promote interaction and socialization among residents of Senior Communities.

We may also require you to offer other products and services that we consider appropriate, including staff fitness programs. The staff fitness programs may include, for example, additional exercise classes and testing. Currently we do not require our franchisees to offer any of these products or services.

Sales of the programs and products offered by Live 2 B Healthy® Senior Fitness businesses are not seasonal. Your competitors include (a) other businesses offering fitness training; (b) fitness training programs offered at the Senior Communities where you will offer the Live 2 B Healthy® Senior Fitness programs; (c) independent personal trainers; and (d) fitness training centers. The market for businesses offering fitness training programs is well developed, but the concept of offering fitness training programs specially designed to improve the well-being of seniors combined with joint marketing programs is not widely developed.

There are no industry specific national regulations applicable to the offering of fitness training services. Many states have laws and regulations applicable to the offering of fitness training services. There are state and federal laws and regulations that regulate the collection of fees. State laws and regulations change from state to state and may affect your operations. You must comply with all applicable laws and regulations.

## **ITEM 2** **BUSINESS EXPERIENCE**

### **Cory Czepa – Chief Manager and President**

Mr. Cory Czepa is one of our founders and has been our Chief Manager and President and a Governor since our inception. Mr. Czepa created the Live 2 B Healthy® Senior Fitness programs and the Live 2 B Healthy® Senior Fitness business concept. Mr. Czepa has been a certified personal trainer for over 24 years. He has been an owner, officer and director of our affiliate Live 2 B Healthy, Inc. since its inception in December 2003. Mr. Czepa is based in Prior Lake, Minnesota.

### **Justin Brady – Vice President**

Justin Brady has served as Vice President since February 2024. From April of 2020 to February of 2024 he was the President and founder of Brady Drake Consulting. Mr. Brady was the Director of Franchise Systems for SWEAT440 Franchise Systems, LLC from December 2019 to April 2020. He was the Director of Franchise Operations at Title Boxing Club Intl. from June 2018 to December of 2019. Mr. Brady is based in West Palm Beach, Florida.

### **Sarah Czepa – Treasurer and Secretary**

Mrs. Sarah Czepa is one of our founders and has been a Governor and an officer since our foundation. Mrs. Czepa has been a certified personal trainer for over 19 years. She has also been an owner, director and officer of our affiliate Live 2 B Healthy, Inc. since December, 2003. Mrs. Czepa is based in Prior Lake, Minnesota.

### **Richard L. Shepley – Director of Finance**

Mr. Richard L. Shepley joined us in January 2011 as our Director of Finance. He has also been the president of Shepley Consulting since April 2000. Mr. Shepley is based in Minneapolis, Minnesota.

### **Jennifer Cruz – Franchise Marketing Manager**

Ms. Jennifer Cruz joined us in June of 2024 as our Franchise Marketing Manager. Ms. Cruz was the Senior Marketing Manager for Nikita Hair Franchise from October 2020 to May 2024 with a specialized focus on franchise marketing. Ms. Cruz was the Social Media Manager at Miami-Dade College from January 2016 to October 2020. She is based in Miami, Florida.

### **John H. Meyers – Governor**

Mr. John H. Meyers has been our governor since January 2011. He was our Sales and Operations Manager from January 2011 until December 2012. Mr. Meyers is based in Minnetonka, Minnesota.

## **ITEM 3** **LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4**  
**BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5**  
**INITIAL FEES**

The following is a description of our standard initial fees:

Initial Franchise Fee. You must pay us an initial franchise (the “Initial Franchise Fee”) when you sign the Franchise Agreement in the following amounts: (i) if you purchase only one Protected Territory, \$50,000; (ii) if you purchase two Protected Territories, \$90,000; (iii) if you purchase three Protected Territories, \$135,000; (iv) if you purchase four Protected Territories, \$160,000; and (v) if you purchase five Protected Territories, \$200,000. Each Protected Territory will cover at least 120 Senior Communities. See Item 12. The Initial Franchise Fee is not refundable.

Royalty. You may need to make several Royalty payments before you start operating your business. The amount of Royalties is \$500 per month for each Protected Territory in your Franchise Agreement or 7% of your gross revenue, whichever is greater. You must start paying Royalties for the first Protected Territory on the 15<sup>th</sup> day of the second month after you execute the Franchise Agreement. We anticipate that you may have to make between 1 and 3 Royalty payments for your first Protected Territory before you start operating your business, but if you do not start operations within 4 months from the date of the Franchise Agreement the actual payments for Royalties before you start operating your business will be higher. Royalty payments are not refundable. If you purchase more than one Protected Territory, you will start paying Royalty on your second and subsequent Protected Territories on (i) the 15th day after of the month after you start operating each additional Protected Territory or (ii) the 15th day of the following month after you are obligated to commence operations in each Protected Territory, whichever is sooner. See Items 6 and 7.

MAP Fee. You may also need to make several marketing, advertising and promotion fee (the “MAP Fee”) payments before you start operating your business. The amount of the MAP Fee is \$500 per month for each Protected Territory in your Franchise Agreement or 2% of your gross revenue, whichever is greater. You must start paying the MAP Fee for the first Protected Territory the 15th day of the first month after you execute the Franchise Agreement. We anticipate that you may have to make a minimum of 2, but no more than 4 MAP Fee payments on your first Protected Territory before you start operating your business, but if you do not start operations within 4 months from the date of the Franchise Agreement the actual payments for MAP Fees before you start operating your business will be higher. MAP Fee payments are not refundable. If you purchase more than one Protected Territory, you will start paying the MAP Fee on your second and subsequent Protected Territories on (i) the 15th day after of the month after you start operating each additional Protected Territory or (ii) the 15th day of the following month after you are obligated to commence operations in each Protected Territory, whichever is sooner. We may increase the MAP Fee at any time by providing you 30-day prior written notice. See Items 6 and 7.

Technology Fee: Before you begin operating your business you must sublicense from us the web-based business management software that we designate (the “Management Software”). We charge a \$500 setup fee for your Management Software account for each Protected Territory in your Franchise Agreement. You pay the setup fee for your first Protected Territory on the date we setup your Management Software account for your first Protected Territory. If you purchase more than one Protected Territory, you will pay the setup fee on your second and subsequent Protected Territories on (i) the 15th day after of the month after you start operating each additional Protected Territory or (ii) the date when you are obligated to commence operations in each Protected Territory, whichever is sooner.

In addition, we will make available to you certain products, services, licenses, and sublicenses related to the technology system that we specify for our Live 2 B Healthy franchisees from time to time (collectively and including the Management Software, the “Required Software”). We will charge you a monthly technology fee (the “Technology Fee”) for giving you access to the Required Software. Currently, the Technology Fee is \$500 per month for each Protected Territory in your Franchise Agreement. You will start paying the Technology Fee the 15th day of the month after you set up your Management Software account. We anticipate that you may have to pay a minimum of 2, but no more than 4 Technology Fee payments for your first Protected Territory before you start operating your business. If you do not start operations within 4 months from the date you set up your Management Software account the actual Technology Fee payments before you start operating your business will be higher. If you purchase more than one Protected Territory, you will start paying the Technology Fee on your second and subsequent Protected Territories on (i) the 15th day after of the month after you start operating each additional Protected Territory or (ii) the 15th day of the following month after you are obligated to commence operations in each Protected Territory, whichever is sooner.

The setup fee for your Management Software and the Technology Fees are not refundable. We may change the amount of the Technology Fee at any time upon 30-day notice to you and the products, services, software, licenses, and sublicenses covered by the Technology Fee from time to time. See Items 6 and 7.

Fitness Equipment Start Up Package. You must purchase from us or our approved vendors all the operating equipment and supplies, training equipment and apparel you will need to start operations, including shirts, hats, shorts, gym bags, water bottles and other items as we periodically determine. You make these payments at the time you order the items. The estimated cost of the initial inventory of these items will range from \$4,000 to \$6,000 for each Protected Territory. These payments are not refundable.

**ITEM 6**  
**OTHER FEES**

(1) Type of Fee (Note 1)	(2) Amount	(3) Due Date	(4) Remarks
Royalty	During the initial term of the Franchise Agreement you must pay Royalties every month in the amount of \$500 per month for each Protected Territory in your Franchise Agreement or 7% of your gross revenue, whichever is greater. (Note 2)	The 15th day of each month. (Note 3)	The first Royalty payment for your first Protected Territory will be due on the 15th day of the second month of the Franchise Agreement. (Note 4)
MAP Fee	Currently \$500 per month for each Protected Territory in your Franchise Agreement or 2% of your gross revenue, whichever is greater.	The 15th day of each month. (Note 3)	The first MAP Fee payment for your first Protected Territory will be due on the 15th day of the first month after you execute the Franchise Agreement. We may increase the MAP Fee at any time by providing you 30-day prior written notice, but during the initial term of your Franchise Agreement the MAP Fee will not be more than the greater of \$525 per month for each Protected Territory or 4% of your gross revenue. (Notes 4 and 5)

<b>(1) Type of Fee (Note 1)</b>	<b>(2) Amount</b>	<b>(3) Due Date</b>	<b>(4) Remarks</b>
Setup Fee – Management Software	\$500 per each Protected Territory in your Franchise Agreement.	Before your Management Software setup (Note 6)	
Technology Fee	Currently, \$500 per month for each Protected Territory in your Franchise Agreement per month.	The 15th day of each month (Note 3)	The Technology Fee for your first Protected Territory will be due on the month after you set up your Management Software account. We may change the Technology Fee at any time by providing you 30-day prior written notice and the products, services, software, licenses, and sublicenses covered by it. (Note 4)
Transfer Fee	50% of then-current Initial Franchise Fee for franchisees with the same number of Protected Territories.	Before consummation of the transfer	See row k. in Item 17 for the definition of “transfer”.
Renewal Fee	50% of then-current Initial Franchise Fee for new franchisees with the same number of Protected Territories.	Before renewal	See row c. in Item 17 for other conditions to renew.
Audit Expenses	The cost of the audit, including any charges of independent accountants, travel expenses and per diem personnel charges	Immediately upon receipt of bill	We have the right to audit your books and records. There will be no charge for this activity except (a) if the audit is conducted because you fail to provide us any of the financial information required under the Franchise Agreement; (b) if the audit discloses any understatement of 2% or more of gross revenue, Royalties, MPA Fees or other amounts owed to us or a variance of 5% or more on other data reported to us; or (c) for any audit performed within 3 years from the date of the evaluation that shows the variance. You will pay for the cost of the audit (including reasonable charges for the time we spend investigating and correcting the missing or erroneous information) and any other related costs that we may incur (including reasonable auditors’ and attorneys’ fees). Currently we have no experience or history to rely on and we are not able to estimate a meaningful figure or range for the audit costs.
Initial Training	\$1,000 per person (Note 7).	At the time the Initial Training is provided	We will not charge a fee for the first 3 trainees. We will charge the fee for all additional, replacement, or repeat trainees.

<b>(1) Type of Fee (Note 1)</b>	<b>(2) Amount</b>	<b>(3) Due Date</b>	<b>(4) Remarks</b>
Refresher or Additional Training	\$250 per day per person trained, plus all the expenses incurred in providing such refresher or additional training, including travel, lodging and meals. (Note 8)	Immediately upon receipt of bill	We periodically may require your Sales and Operations Manager, Training Coordinators and other members of your team to attend and complete supplemental or refresher training programs we deem appropriate.
Special Assistance	\$250 per day for each individual sent to assist you, plus all the expenses incurred in providing such assistance, including travel, lodging and meals. (Note 9)	Immediately upon receipt of bill	We may provide franchisee assistance for unusual or unique operating problems, including additional training.
Product or Supplier Approval Costs	Reasonable cost of inspection or testing plus actual cost of laboratory fees, professional fees and travel and living expenses of our personnel,	After approval process is completed	We may require you to pay us or an independent laboratory for the cost of inspection or testing if you want to acquire items from sources, we have not previously approved. See Item 8.
Payment for Violation of Confidentiality or Non Compete Obligations	\$50,000 for each violation	When incurred upon violation of these obligations.	This payment is for liquidated damages for each violation of the confidentiality obligations or non-competes under the Franchise Agreement
Interests and Late Fees	18% per annum or the maximum rate of interest allowed by law, whichever is lower, of all delinquent amounts owed to us, plus \$100 per week or portion of a week that the payment is overdue and costs and expenses incurred in collecting unpaid amounts.	Immediately as incurred	
Non - Compliance Fee	Up to \$1,000 per notice of violation.	10 days after notice of violation	We may assess a non-compliance for violations of the Franchise Agreement and/or the Manuals. We reserve all other rights and remedies.
Conference Fees	Reasonable registration fees of up to \$1,000 per person per conference. It will vary by program.	On demand	We may require your Sales and Operations Manager and other members of your team to attend various conferences. Currently, we require attendance at our annual conference. If in the future we require you to attend other meetings we may charge attendance fees to attend those meetings. You are also responsible for all travel and living expenses incurred by your personnel for attending the conferences.
Costs and Attorneys' Fees	Will vary under circumstances	On demand	You will reimburse us for all of our costs and expenses, including attorneys' fees, in enforcing our rights under the Franchise Agreement, the Manuals or other ancillary documents if we prevail.

Notes:

(1) All fees and expenses described in this Item 6 are non-refundable. Except as otherwise indicated, all the fees and expenses are payable to us. We may require you to pay any or all periodic or recurring fees to us by electronic funds transfer. The fees are uniformly imposed on all franchisees signing the same Franchise Agreement.

(2) “Gross revenue” means the total gross revenue from the provision of all products and services sold or performed anywhere through or by means of your business. For example, gross revenue includes (a) sign up fees, initiation fees, enrollment fees, processing fees, paid-in-full dues, renewal fees, corporate/third-party payor fees, monthly dues and any fees or revenue generated and derived during any presales; (b) fees and charges for optional services; (c) fees charged to non-members using the Live 2 B Healthy’s services; (d) revenue derived from merchandise and product sales and other revenues from your business; and (e) payments you receive from an insurer to replace or compensate you for revenue lost as a result of an insured risk that interrupted the operation of your business. “Gross revenue” does not include taxes collected from the customer and paid to a taxing authority, refunds and credits provided to customers, and rent or fees collected from an unrelated business that is not directly accessible from the business.

(3) Within the first 5 days of every month, you must prepare and remit to us a report in QuickBooks computing the total gross revenue for the prior month and a calculation of the Royalties and the MAP Fees payable to us on such gross revenue. You must certify the computation of the amounts in the manner and form we specify, and you must supply to us any supporting or supplementary materials as we reasonably require to verify the accuracy of remittances.

You must sign the electronic transfer of funds authorization attached to the Franchise Agreement to authorize and direct your bank or financial institution to transfer electronically to our account and to charge to your account all amounts due to us. On the 15<sup>th</sup> day of every month, we will send a request to your bank or financial institution to pay us the full amount of the Royalties, MAP Fees, the Technology Fee, and other payments owed to us for the preceding month. You shall not revoke the electronic transfer of funds authorization without giving us prior written notice and without first setting up a different electronic transfer of funds authorization under the same terms and conditions of the one being revoked.

(4) If you purchase more than one Protected Territory, you will start paying the Royalty, the MAP Fee and the Technology Fee on your second and subsequent Protected Territories on (i) the 15th day after of the month after you start operating each additional Protected Territory or (ii) the 15th day of the following month after you are obligated to commence operations in each Protected Territory, whichever is sooner.

(5) The MAP Fee will be paid to us for deposit in a Marketing Fund. The MAP Fee will be used by us to cover, without limitation, sales and marketing support for franchise owners, operation of a marketing department, and corporate memberships in relevant national associations. See Items 5 and 11.

(6) If you purchase more than one Protected Territory, you will pay the setup fee on your second and subsequent Protected Territories on (i) the 15th day after of the month after you start operating each additional Protected Territory or (ii) the date when you are obligated to commence operations in each Protected Territory, whichever is sooner.

(7) You must also cover all expenses incidental to attending the training, including travel, lodging, meals, and transportation. Your Sales and Operations Manager and each Training Coordinator must successfully complete our Initial Training Program. See Item 11. After you have at least one Training Coordinator that has completed all training required by us, he or she may provide the Initial Training Program to any new Training Coordinator that you hire and in such case you would not have to pay us the \$1,000 per person fee. Your Training Coordinator(s) will provide training to each trainer on the Live 2 B

Healthy® training programs. Each Training Coordinator must not manage more than 30 trainers. We must receive from you written verification that a Training Coordinator has provided the Initial Training Program to any new Training Coordinator and to each trainer that does not complete the program at our offices. All Training Coordinators would be subject to the requirements stated in the Franchise Agreement, including our written approval before they are appointed and the successful completion of our required training.

- (8) We reserve the right to modify the fee we charge for refresher or additional training.
- (9) We reserve the right to modify the fee we charge for special assistance.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment Is To Be Made
Initial Franchise Fee (Note 1)	\$50,000 - \$200,000	Lump Sum	Upon Signing of the Franchise Agreement	Us
Royalty (Note 2)	\$500 - \$1,500	Lump Sum	As Incurred Monthly	Us
MAP Fees (Note 3)	\$500 - \$2,000	Lump Sum	As Incurred Monthly	Us
Management Software Setup Fee	\$500	Lump Sum	As Incurred	Us
Technology Fee (Note 4)	\$500-\$2,000	Lump Sum	As Incurred Monthly	Us
Initial Training Program (Note 5)	\$0 - \$2,500	Lump Sum	As Incurred	Third Party Vendors
Fitness Equipment Start Up Package (initial inventory of operating equipment and supplies, training equipment and apparel) (See Item 5)	\$4,000 - \$6,000	Lump Sum	As Incurred	Us
Start Up Promotional Materials (initial inventory)	\$500 - \$2,000	Lump Sum	As Incurred	Us or Third Party Vendors
Home Office (Computer) System (Note 6)	\$0 - \$3,000	As Arranged with Suppliers	As Arranged with Suppliers	Approved Suppliers
QuickBooks (Note 7)	\$45 - 200	As Arranged with Suppliers	As Arranged with Suppliers	Third Party Vendors
Insurance (Note 8)	\$100 - \$1,000	As Arranged with Provider	As Arranged with Provider	Insurance Company
Business Licenses and Other Permits Needed for Opening (Note 9)	\$500 - \$3,000	Lump Sum	As Incurred	State/Local Authorities and Third Parties
Rent – Real Estate	(Note 10)	Lump Sum	Typically upon Signing Lease	Landlord
Utility Deposits and Fees	(Note 10)	Lump Sum	Upon Application for Service	Utility Companies
Furniture and Fixtures (including cell phone, work surface, office chair and a file cabinet)	\$0 - \$1,000	As Arranged with Suppliers	As Arranged with Suppliers	Third Party Vendors

<b>(1) Type of Expenditure</b>	<b>(2) Amount</b>	<b>(3) Method of Payment</b>	<b>(4) When Due</b>	<b>(5) To Whom Payment Is To Be Made</b>
Background Checks on Potential Trainers (Note 11)	\$40 - \$225	Lump Sum	As Incurred	Third Party Vendors
Operating Equipment and Supplies (general office supplies: paper, pens, stapler, staples, tablets, folders, etc.)	\$490 - \$895	Lump Sum	As Incurred	Third Party Vendors
Payments to Contractors, Including Trainers (Note 12)	\$0 - \$900	As Agreed with Contractors	As Incurred	Contractors
Additional Funds - first 3 months of operations (Note 13)	\$50 - \$500	As Agreed with Suppliers	As Incurred In First Three Months	Contractors, Suppliers
TOTAL (Note 14)	\$57,225 - \$227,220			

We do not offer direct or indirect financing to franchisees for any items. All amounts that you pay to us or our affiliates are nonrefundable. Third party suppliers will decide if payments to them are refundable. None of the amounts above include state or local sales taxes, which you may need to pay. You will be required to pay all taxes, including personal property taxes on your purchases. Unless expressly noted, the amounts stated in this Item 7 refer to your estimated initial investment for the first Protected Territory. If you purchase multiple Protected Territories your initial investment will be higher. See Items 5 and 6.

Notes:

(1) If you purchase only one Protected Territory the Initial Franchise Fee will be \$50,000. The Initial Franchise Fee will increase if you have more than one Protected Territory, up to \$200,000 if you have 5 Protected Territories. See Items 5 and 12.

(2) You must start paying Royalties for your first Protected Territory the second month after you execute the Franchise Agreement. The estimate includes 1 to 3 Royalty payments that you may have to make before you start operating your business. If you do not start operations within 4 months from the date of the Franchise Agreement, the actual payments for Royalties before you start operations will be higher.

(3) You must start paying the MAP Fee for your first Protected Territory the first month after you execute the Franchise Agreement. The estimate includes 2 to 4 MAP Fee payments that you may have to make before you start operating your business. If you do not start operations within 4 months from the date of the Franchise Agreement, the actual payments for MAP Fees before you start operations will be higher.

(4) This estimate includes up to 4 months of the Technology Fee for one Protected Territory. If you do not start operations within 4 months from the date you set up your Management Software account the payments for Technology Fees before you start operating your business will be higher.

(5) We will not charge a fee for the first 3 trainees. We will charge the fee for all additional, replacement, or repeat trainees. You must also cover all expenses incidental to attending the training, including travel, lodging, meals, and transportation. The estimate provided contemplates Initial Training of the initial 2 individuals; it does not include the potential \$1,000 per person fee and other expenses for additional individuals. The amount spent will depend, in part, on the distance you must travel and the type of accommodations you choose. We may conduct the training programs virtually and you might not incur any travel expenses related to training if your training is done remotely. See Items 6 and 11.

(6) The estimate includes only the minimum equipment that we will require you to have. The cost of the computer system will vary greatly depending on vendor, capabilities, and additional equipment or software you may desire. The lower estimate assumes that you already own the minimum equipment we require.

(7) You must acquire and maintain QuickBooks software. We will need access to your records granted via QuickBooks. We require this access to allow us to audit your books at our discretion and at any time to confirm amounts owed for Royalties and MAP Fees.

(8) Insurance must meet the minimum requirements established in the Franchise Agreement. The cost will vary based on policy limits, type of policies, nature and value of physical assets, number of employees, contents of the business, geographical location and other factors. The estimate is for approximately 25% of the annual premium. The balance of the annual premium is generally payable over 9 months.

(9) This estimate will vary depending on any state and local requirements for licenses and permits.

(10) You will not be required to lease or otherwise procure space. We expect you to contact and attend to the Senior Communities in your Protected Territory(ies) either from a home office or by visiting the Senior Communities. The estimates above assume that you will not rent, buy or otherwise secure space for your Live 2 B Healthy® Senior Fitness business.

You may lease or purchase an office for the franchise. The rental and purchase price of real estate and the cost of utilities associated with it vary greatly depending on the market and the size of the leased or purchased area and we cannot provide you with accurate estimates on the costs of renting or purchasing such space. Therefore, the estimates above do not include the costs of renting or purchasing such space. If you decide to rent, buy or otherwise obtain space, we estimate that you will only need an office large enough to hold a desk and office supplies. Such office may be located in any commercial area and does not need to have any type of signage. If you decide to rent, buy or otherwise obtain space, your estimated initial investment may be significantly higher depending on the price of real estate in your area.

(11) You must run background checks on all potential Training Coordinators and on all potential trainers. The estimate is for one to two background checks.

(12) The payments to contractors are estimated for a 3-month period.

(13) This estimate is based on the operating expenses for the first 3 months of operations, local promotion, marketing and advertising, additional training and new business development. We have considered and relied on the experience of the Live 2 B Healthy® Senior Fitness businesses operated by our existing franchisees.

(14) Most of the figures used in Item 7 are estimates only; we cannot guarantee you will not have additional expenses starting your business. You should review these figures carefully with a business advisor before deciding to purchase the franchise. Your actual costs will depend on factors such as: your management skill, experience and business acumen, local economic conditions, local market for the service provided by the business, competition, prevailing wage rates, and the sales level reached during the initial period. We recommend that you have additional funds available to you in order to fund your business.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You must maintain and comply with our quality standards. You must use equipment, signage, products, and marketing materials that meet our specifications and standards. We reserve the right to appoint designated suppliers, including ourselves and our affiliates, for certain items and you will have to buy those items from those designated suppliers. You must buy from us or our designated vendors all the operating

equipment and supplies and training equipment you will need. Also, you will have to buy all your apparel from a designated supplier. We reserve the right to receive compensation from the designated supplier. We may appoint additional designated suppliers in the future or modify the products or services you must purchase from designated suppliers.

In addition to the items you must purchase from us or from designated suppliers, you must use equipment, fixtures, products, marketing materials and other goods and services that meet our specifications and standards. We will provide you lists of designated and approved suppliers and approved inventory equipment, products, signs, stationery, supplies and other items or services necessary to operate your Live 2 B Healthy® Senior Fitness business. The lists also may include other specific products without reference to a particular manufacturer, or they may set forth the specifications and/or standards for other approved products. We may revise these lists periodically. An affiliate or a third party vendor may be the designated supplier or the only approved supplier for certain products. The only designated or approved supplier in which our officers own an interest is us. Some of the officers listed in Item 2 are part owners of us. Except as disclosed above, as of April 30, 2024, there are no other designated or approved suppliers in which we or our affiliates or any of our officers own an interest.

Except for the items that you must purchase from us or other designated suppliers, you must notify us in writing if you want to use any brand of product, item or supply that is not then approved by us, or to purchase any product from a supplier that is not an approved supplier. You must obtain our written consent prior to proceed to use such product or supplier. Along with a number of other approval criteria, to be an approved supplier, the supplier must have the ability to provide the product and/or service, on a national basis, to at least 75% of the then existing Live 2 B Healthy® Senior Fitness businesses. We maintain written approval criteria. We will make these criteria available to you upon your request. The criteria are also available on our website. We may modify our standards at any time. If requested by us, you must submit samples and other information we require for testing or to otherwise determine whether the product, material or supply, or the proposed supplier meets our specifications and quality standards. We generally will notify you of supplier approval or disapproval within 15-30 days of our receipt of all the information and samples we request. We do not charge any fees to approve a supplier but you must reimburse us all costs that we incur including the costs of the tests. We may revoke our previous approval at any time that an approved supplier no longer meets our approval criteria or if we designate an exclusive supplier. We will send written notice of any revocation of an approved supplier or item.

We and our affiliates reserve the right to receive payments or other consideration from suppliers for your purchase of goods, products and services. Most of these payments may be calculated based on products or services sold to Live 2 B Healthy® Senior Fitness businesses. We will retain and use such payments as we deem appropriate or as required by the vendors or manufacturers. We will not provide you with any type of accounting or report on these amounts or their uses. We will not provide you material benefits because of your use of approved suppliers.

We may negotiate prices for numerous products for the benefit of the franchise system but not on behalf of individual franchisees. At this time there is no purchasing or distribution cooperative but we may establish them in the future and you will be required to participate. We may receive volume discounts for the franchise system. Except as listed above, currently neither we nor our affiliates receive any payments or other consideration from suppliers for the purchase of goods or services by Live 2 B Healthy® Senior Fitness businesses.

We require you to have a computer system and to purchase one if you do not have one already with the following minimum requirements: computer purchased within the last 4 years with integrated webcam, built-in speakers, microphone, anti-virus software, Microsoft capabilities to run Word, PowerPoint, Excel, Teams, and Outlook. You also need QuickBooks accessibility, all-in-one printer / scanner / copier / fax machine, and high-speed internet connectivity.

During our last fiscal year, our revenue from the sale of items to franchisees was \$23,869 or 7.25% of our total annual revenue of \$324,896. We estimate that the items purchased in accordance with our specifications will represent approximately 80% to 90% of total purchases you will make to begin operations of the business and approximately 15% to 25% of the ongoing costs to operate the business.

Insurance. You must carry insurance policies protecting you and us. The insurance policies must include, at a minimum: (i) professional liability insurance with minimum limits of \$1,000,000 per occurrence and \$5,000,000 aggregate; (ii) comprehensive general liability insurance, including bodily injury and product liability insurance, with minimum limits of \$1,000,000 per occurrence and \$5,000,000 aggregate; (iii) workers' compensation and employer's liability insurance covering all of your employees; (iv) we and our affiliates as named additional insureds on all liability policies required; (v) any other insurance coverages or amounts as required by law or other agreement related to your Live 2 B Healthy® Senior Fitness business. You must also carry any other insurance coverages or amounts as required by law or other agreement related to your Live 2 B Healthy® Senior Fitness business. Coverage must begin within 60 days from the date of the Franchise Agreement or the date when you sign your first contract with a Senior Community to provide the Live 2 B Healthy® Senior Fitness programs, whichever is sooner. We may modify the required minimum limits and require additional insurance by providing written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the Live 2 B Healthy® Senior Fitness system, standards of liability and higher damage awards.

These amounts are minimum requirements. You should consult with your own insurance broker and advisors to determine the types and amounts of coverage that you need or desire to provide sufficient coverage for your business in addition to the coverage required by us.

## **ITEM 9**

### **FRANCHISEE'S OBLIGATIONS**

**This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.**

<b>Obligation</b>	<b>Section in Agreement*</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	None	Item 7
b. Pre-opening purchases/leases	Sections 3 and 4	Items 5, 6, 7 and 8
c. Site development and other pre-opening requirements	Sections 3 and 4	Items 7, 8 and 11
d. Initial and ongoing training	Sections 1 and 3	Items 7, 11 and 15
e. Opening	Sections 2, 3 and 4	Items 5, 7 and 11
f. Fees	Sections 3.B, 4.C, 6.A, 6.B, 6.C, 6.D, 6.E, 6.F, 6.G, 8.A, 8.B, 9.B, 10 and 11.A	Items 5, 6, 7 and 8
g. Compliance with standards and policies/operating manual	Sections 3, 4 and 13	Items 8, 11, 13, 14, 15 and 16
h. Trademarks and proprietary information	Sections 1, 2, 3, 4, 7 and 8	Items 13 and 14
i. Restrictions on products/services offered	Sections 1, 2, 4 and 10	Items 8, 11 and 16
j. Warranty and customer services requirements	Section 4	Item 11
k. Territorial development and sales quotas	Sections 2 and Exhibit A	Items 11 and 12

<b>Obligation</b>	<b>Section in Agreement*</b>	<b>Disclosure Document Item</b>
l. Ongoing product/service purchases	Section 4	Items 8, 11 and 16
m. Maintenance, appearance, and remodeling requirements	None	Items 6, 7, 8 and 11
n. Insurance	Section 9.B	Items 6, 7 and 8
o. Advertising	Sections 6.C 7.A, 7.C, 8, 13.A	Items 6, 7 and 11
p. Indemnification	Section 9.A	Items 13 and 14
q. Owner's participation/management/staffing	Sections 1 and 3	Items 11 and 15
r. Records and reports	Sections 6.E and 6.G	Items 6 and 11
s. Inspections and audits	Sections 4.F and 6.G	Items 6 and 11
t. Transfer	Section 11	Items 6, 12 and 17
u. Renewal	Section 5	Items 6, 12 and 17
v. Post-termination obligations	Sections 4.C, 4.G, 4.H, 9.A, 10.B and 13	Items 6, 14, 15 and 17
w. Non-competition covenants	Sections 4.G and 10	Items 6, 15 and 17
x. Dispute resolution	Section 14	Item 17

**ITEM 10**  
**FINANCING**

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation. Neither we nor any affiliate receives payment for the placing of financing. We cannot estimate whether you will be able to obtain financing or the terms of such financing.

**ITEM 11**  
**FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

**Except as listed below, we are not required to provide you with any assistance.**

Pre-Opening Obligations: Before you open your Live 2 B Healthy® Senior Fitness business, we will:

1. Designate your Protected Territory(ies) (Franchise Agreement, Section 2.C).
2. Approve your Sales and Operations Manager and your Training Coordinator (Franchise Agreement, Section 3.A).
3. Provide the initial training programs described below (Franchise Agreement, Section 3.B).
4. Provide your first Sales and Operations Manager "in-field" coaching within 30 – 60 days of completing the initial training (Franchise Agreement, Section 3.B).
5. Provide you a copy of our specifications and standards pertaining to equipment and other items pertaining to the operation of your Live 2 B Healthy® Senior Fitness business (Franchise Agreement – Section 4.B).
6. Furnish you lists of approved supplies or approved suppliers (Franchise Agreement, Section 4.B). See Item 8 for your obligations to use approved supplies and approved suppliers.

7. Provide you a copy of our quality and customer service standards (Franchise Agreement – Section 4.C).

8. Loan you an electronic copy of the manuals that detail the specifications and procedures regarding the operation of your Live 2 B Healthy® Senior Fitness business. You must adopt and use as your continuing operational routine the required standards, service style, procedures, techniques and management systems described in our manuals or other written materials. You must at all times treat the manuals, and the information they contain, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential (Franchise Agreement, Section 4.C).

9. We will provide you website and technical support services. We will host, maintain and provide you access to our websites live2bhealthy.com, franchise.live2bhealthy.com and trainers.live2bhealthy.com. We will assist you with initial trainer setup on trainers.live2bhealthy.com, and removal when appropriate. You will have access to ongoing updates through live2bhealthy.com. We will provide each franchisee with an email address with up to 2 gigabytes of storage. We will assist you with the initial email setup instructions. You will have access to our proprietary online fitness testing data entry system, which will allow you to track fitness results. You will have access to our online ordering systems for fitness equipment, marketing materials, and other proprietary items. We may modify these services at any time by providing you written notice. We will not charge a separate fee for these services (Franchise Agreement, Section 4.H).

10. If you choose to lease or purchase an office for the franchise, we will not offer any assistance in locating or negotiating the purchase or lease of the site and we will not select or approve the site.

Typical Length of Time To Start Operations of Your Live 2 B Healthy® Senior Fitness business. You must begin offering the Live 2 B Healthy® Senior Fitness programs in the first Protected Territory in your Franchise Agreement within 30 days after your Sales and Operations Manager has successfully completed the Initial Training Program. If you fail to do so, we have the right to terminate the Franchise Agreement. Your Sales and Operations Manager must (i) start the Initial Training Program within 45 days from the date of the Agreement and (ii) successfully complete the Initial Training Program within 30 days after the date he or she starts taking it. The typical length of time between the date you will start entering into contracts to provide the Live 2 B Healthy® Senior Fitness programs at Senior Communities is between 30 and 60 days after you start offering the Live 2 B Healthy® Senior Fitness programs. Factors that may impact this length of time may include availability of capital, policies at the Senior Communities, and availability of the staff at the Senior Communities. Typically, you will start receiving payments from Senior Communities within 4 to 6 weeks after a Senior Community contracts with you to receive the Live 2 B Healthy® Senior Fitness programs and you actually start providing the programs to the Senior Community. Factors that may impact this length of time may include the promptness of the delivery and the completeness of the invoices to the Senior Communities and the Senior Communities' payment policies.

If you purchase multiple Protected Territories, you must start operations in each additional Protected Territory as follows. You must start operations in your second Protected Territory within 6 months from the date of the Franchise Agreement. You must start operations in your third Protected Territory within 12 months from the date of the Franchise Agreement. You must start operations in your fourth Protected Territory within 18 months from the date of the Franchise Agreement. You must start operations in your fifth Protected Territory within 2 years from the date of the Franchise Agreement.

Obligations After Opening. During the operation of your Live 2 B Healthy® Senior Fitness business, we will:

1. If requested by you, provide your Sales and Operations Manager additional “in-field” coaching after the initial “in-field” coaching (Franchise Agreement, Section 3.B).

2. Make available refresher or additional training which we deem advisable to familiarize you and your management team on changes and updates in the franchise system. We will charge you a \$250 daily

fee per trainee plus you must reimburse us for all the expenses we incur in providing you such additional training. We may change the amount of this fee periodically. (Franchise Agreement – Section 3.C).

3. If you have some unusual or unique operating problems or if you have a specific situation in which you require assistance, we may provide you assistance, including additional training, and we may, but have no obligation to, provide you this assistance. If we agree to provide you the assistance, we will charge you a \$250 daily fee per person we sent to assist you plus you must reimburse us for all the expenses we incur in providing you such assistance (Franchise Agreement – Section 3.F).

4. Approve vendors, products and services and regularly inform you as to new approved vendors and new preferred vendor contracts (Franchise Agreement – Section 4.B).

5. Make available to you from time to time all changes, improvements and additions to the franchise system to the same extent as are made available to other franchisees (Franchise Agreement – Sections 4.C and 4.M).

6. Provide you with all supplements and modifications to the Manuals (Franchise Agreement – Sections 4.C).

7. Periodically, as we reasonably determine to be necessary, (i) contact Senior Communities in the Protected Territory(ies) and participate in or observe sessions where you or your personnel provide the Live 2 B Healthy® Senior Fitness programs, (ii) inspect your Live 2 B Healthy® Senior Fitness business (including observing and/or interviewing the Sales and Operations Manager, the Training Coordinators, and other members of your team), and (iii) conduct any other type of audit or review necessary to evaluate your compliance with all required standards, specifications or procedures (Franchise Agreement, Section 4.F).

8. From time to time, make suggestions and give mandatory instructions regarding the operation of your Live 2 B Healthy® Senior Fitness business, as we consider necessary or appropriate to ensure compliance with the then-current quality standards of the System and to protect the goodwill and image of the System (Franchise Agreement, Section 4.F).

Advertising Programs. We have instituted a national marketing program, which is supported by your payment of a monthly MAP Fee of is \$500 per month for each Protected Territory in your Franchise Agreement or 2% of your gross revenue, whichever is greater. We may increase the MAP Fee by providing you 30-day prior notice, but during the initial term of your Franchise Agreement the MAP Fee will not be more than the greater of \$525 per month for each Protected Territory in your Franchise Agreement or 4% of your gross revenue. We will contribute to the Marketing Fund for any Protected Territory operated by us, on the same basis as comparable franchisees. Other franchisees may be required to pay different MAP Fees depending on the date they join our system or on other circumstances particular to those franchisees.

We will administer the Marketing Fund. The Marketing Fund is not a trust or escrow account, and we have no fiduciary obligation to franchisees with respect to the Marketing Fund. The Marketing Fund will not be audited. If requested, we will provide you an annual unaudited statement of the financial condition of the Marketing Fund. Of the amounts we spent from the Marketing Fund during the fiscal year concluded December 31, 2023, we spent 70% on design, development and production, 30% on media placement, and 0% on administrative expenses. MAP Fees not used in one year will be carried over to the next year. We and our affiliates will only receive payment from the Marketing Fund for the costs incurred by us for marketing and promotion programs established by us and for providing other goods and services at arms-length prices, including the expenses of administering the Marketing Fund. We may use whatever media we consider most appropriate for the system. The media coverage may be local, regional or national. We may produce the marketing materials ourselves or we may hire national, regional or local advertising agencies. We have no obligation to undertake any specific advertising campaigns or to conduct advertising

in any particular area, or to spend a prorated amount on each Live 2 B Healthy® Senior Fitness business or in each advertising market. We may use the funds to (1) formulate, develop and implement marketing, advertising and promotional campaigns; and (2) pay us for the expense of administering the Marketing Fund, including accounting expenses and salaries and benefits paid to our employees engaged in the marketing functions. There is currently no advertising council of franchisees that advises us on advertising policies. No portion of the MAP Fees will be spent for advertising principally designed to solicit the sale of franchises. You will not receive periodic accounting or reports of how the MAP Fees are spent (Franchise Agreement, Sections 6.C and 8). Also, see Items 6 and 9 for additional disclosures relating to advertising.

In addition to the MAP Fee, you will be required to spend every calendar year at least \$500 for each Protected Territory in your Franchise Agreement or 1% of your gross revenues, whichever is greater, per month in local marketing. This is not a fee charged by us; it is an expense you will incur in local marketing spending. The following activities will count towards your required local marketing expenses: trial classes, brochures, sandwich boards, networking events and group membership, association membership dues, and other similar expenses. (Franchise Agreement, Section 8.B).

There is no advertising council composed of franchisees. At this time we do not have a local or regional advertising cooperative. However, if a cooperative is formed in your area, you will be required to participate and direct the amounts you are required to spend in local advertising to that end. Each Live 2 B Healthy® Senior Fitness within a designated local advertising area is a member of the local advertising group and each has 1 vote on all matters requiring a vote. We reserve the right to designate the bylaws that govern the operation of local advertising groups, although the bylaws cannot modify the voting structure set forth in the prior sentence. Other franchisees may be required to spend different amounts in local advertising depending on the date they join our system (Franchise Agreement, Section 8.C).

From time to time, we may provide you with advertising and/or social media marketing materials or offer them to you at an additional cost. You may develop advertising and/or social media marketing materials for your own use at your own cost. We must approve the materials in advance and in writing. We will approve or disapprove materials within 10 days from the date you submit to us the materials and a description on how you plan to use them. If we do not respond within that time, the materials will be deemed approved. You must comply with our trademark, trade name, service mark and copyright marking requirements and you will supply to us samples or photographs of the same upon our request. You are ultimately responsible for ensuring that your advertising complies with all applicable laws before using them (Franchise Agreement, Section 8).

### Computer System

You must use a computer system with the following minimum requirements: computer purchased within the last 4 years with integrated webcam, built-in speakers, microphone, anti-virus software, Microsoft capabilities to run Word, PowerPoint, Excel, Teams, and Outlook. You also need QuickBooks accessibility, all-in-one printer / scanner / copier / fax machine, and high-speed internet connectivity. The estimated cost of a computer system including only the minimum equipment that we require is from \$0 (assuming that you already have the minimum equipment and decide to not buy additional equipment) to \$3,500. The cost of the computer system will vary greatly depending on vendor, capabilities, and additional software you may desire.

You will sublicense from us the Management Software. You will pay us a \$500 setup fee for your Management Software account for each Protected Territory in your Franchise Agreement. We will also give you access the rest of the Required Software. You will pay us a monthly Technology Fee for providing you access to the Required Software. Currently, the Technology Fee is \$500 per month for each Protected Territory in your Franchise Agreement per month. We may change the amount of the Technology Fee at

any time upon 30-day notice to you and the products, services, software, licenses, and sublicenses covered by the Technology Fee from time to time.

We have the right to make updates, supplements and modifications to the computer system, including the Required Software, and you will have the obligations to promptly implement such updates, supplements and modifications. The cost of any updates, supplements or modifications will vary greatly depending on the nature of the update, supplements or modification. We have no obligation to provide ongoing maintenance, repairs, upgrades or updates to the information systems. We will have full and complete access to information and data generated or stored in any part of the information system. This access is not independent. There are no contractual limitations on the access that we will have to your information system (Franchise Agreement, Section 4.D).

Manuals. A copy of the table of contents of the manual is included in this Franchise Disclosure Document as Exhibit F. The total number of pages in the manual as of April 30, 2024 was 240 pages.

Training. Prior to opening your Live 2 B Healthy® Senior Fitness business we will offer you the following training.

### TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Products and Services Training	5	1	Virtual, at your home or office, or in Prior Lake, Minnesota
Practice Phone Calls and Sales Calls	5	10-15	Virtual, at your home or office, or in Prior Lake, Minnesota
Learn Exercise Programs	2	1	Virtual, at your home or office, or in Prior Lake, Minnesota
Administration of Exercise Programs (webinar)	2	1	Virtual, at your home or office, or in Prior Lake, Minnesota
Process to Interview Trainers	1	1	Virtual, at your home or office, or in Prior Lake, Minnesota
Customer Service Procedures	1	1	Virtual, at your home or office, or in Prior Lake, Minnesota
Business Materials, Marketing and Sales	4	1	Virtual, at your home or office, or in Prior Lake, Minnesota
Observe Exercise Classes	3	0	Virtual or in Minneapolis/St. Paul, Minnesota metro area
<b>Totals</b>	23 hours	16-21 hours	

The frequency of the training will depend on the number of new franchisees we sign up every year; we will offer the training as needed, but we intend to offer it at least every three months. We intend to offer all the training virtually unless (i) we determine that certain training may be better offered in person or (ii) you request and we agree to provide certain training in person. The in-person classroom training that you will not take at your home or office will be conducted in our offices at 3485 230th St. E., Prior Lake, Minnesota 55372 or at a nearby location in the Minneapolis/St. Paul, Minnesota metro area. The on-the-job training that is not provided virtually generally will be provided at a Senior Community located in the Minneapolis/St. Paul, Minnesota metro area or at a Senior Community offering the Live 2 B Healthy® Senior Fitness programs located closer to you, as we determine.

In the initial training sessions you will receive, at no charge to you, different manuals and other written materials. Cory Czepa, our Chief Manager and President and Justin Brady, our Vice President, oversee and coordinate training. Mr. Czepa has been our Chief Manager and President since our inception. He has been a certified personal trainer for over 24 years. Mr. Brady has extensive experience in the franchise business and has occupied leadership positions with various franchisors. See Item 2 for more information.

Your Sales and Operations Manager must attend and successfully complete our Initial Training Program to our satisfaction at any time before the date you start offering the Live 2 B Healthy® Senior Fitness programs. Also, each Training Coordinator must attend and successfully complete our Initial Training Program to our satisfaction at any time before he or she starts providing the Live 2 B Healthy® Senior Fitness programs. We do not charge a fee for providing the Initial Training Program to the first 3 trainees. For any individual after the first 3 participants or for anyone to repeat the program you pay a \$1,000 per-person fee. You must also cover all expenses incidental to attending the training, including travel, lodging, meals, and transportation. After you have at least one Training Coordinator that has completed all training required by us, he or she may provide the Initial Training Program to any new Training Coordinator that you hire and in that case you would not have to pay us the \$1,000 per person fee. Your Training Coordinator(s) will provide training to each trainer on the Live 2 B Healthy® training programs. Each Training Coordinator must not manage more than 30 trainers. We must receive from you written verification that a Training Coordinator has provided the Initial Training Program to any new Training Coordinator or trainer that does not complete the program with us. All Training Coordinators are subject to the requirements stated in the Franchise Agreement, including our written approval before they are appointed and the successful completion of our required training.

Your first Sales and Operations Manager must also attend our In-Field Training of 2 to 3 days, 30 to 60 days after completing the Initial Training Program. In addition, if requested by you, we will provide your Sales and Operations Manager additional “in-field” coaching after the initial “in-field” coaching. We will provide this training virtually or at your office or home-office. The focus of this training is on-the-job coaching in sales and the process to recruit trainers. We will offer this training each time we have a new franchisee. We do not charge a fee for providing in-field training to your first Sales and Operations Manager. We will not evaluate your Sales and Operations Manager in the completion of this training.

Except as provided below in this paragraph, under no circumstances may you permit management of your Live 2 B Healthy® Senior Fitness business or the application of the Live 2 B Healthy® Senior Fitness programs by a person who has not successfully completed, to our reasonable satisfaction, all applicable training we require. If we revoke our approval for your Sales and Operations Manager or if you lose your Sales and Operations Manager, the individual in your staff with the highest level of training must manage your Live 2 B Healthy® Senior Fitness business operations while your new Sales and Operations Manager is approved, appointed and trained. If we revoke our approval for a Training Coordinator or if you lose a Training Coordinator, the Sales and Operations Manager or another Training Coordinator must provide the Live 2 B Healthy® Senior Fitness training at the Senior Communities that were the responsibility of the departed Training Coordinator.

We may require your Sales and Operations Manager and other key individuals of your team to attend ongoing training virtually or at your or our facilities or other location we designate. If you are given notice of default and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require, as a condition of curing the default that you, your Sales and Operations Manager and Training Coordinators, at your expense, comply with the additional training requirements we prescribe. You will be responsible for travel costs, room and board, the salaries, fringe benefits, and other expenses incurred by you and the members of your team in attending.

The content of the training referenced in the prior paragraph will include new programs being rolled out, audit results, performance corrections, and new processes or updates to existing processes. We estimate that the duration of this training will be around 1-3 days. The frequency of this training will depend on many factors, including your performance, the total number of franchisees, any changes to our system, among others. We currently estimate that you will receive this training between 1 and 2 times per year. We estimate that your costs for attending this training in-person will be between \$1,500 and \$2,000 per participant.

## **ITEM 12** **TERRITORY**

You will receive the right to offer the Live 2 B Healthy® Senior Fitness programs within one or more specified geographic areas (the “Protected Territory(ies)”). You may buy between 1 and 5 Protected Territories in your Franchise Agreement. Each Protected Territory will have at least 120 Senior Communities within its geographic area. See Items 5, 6 and 7.

We will not, while your Franchise Agreement is in force and you are in compliance with your obligations, operate or grant others the right to operate any other Live 2 B Healthy® Senior Fitness businesses within the Protected Territory(ies), except as described in this Item 12 and set forth in the Franchise Agreement. You may not solicit customers outside of your Protected Territory(ies) and other franchisees will not be permitted to solicit Senior Communities in the Protected Territory(ies). You may not relocate your Protected Territory(ies).

We determine each Protected Territory. The criteria used for determining the boundaries of each Protected Territory include: the population base and its demographics; growth trends of population; apparent degree of affluence of population; and major topographical features which define contiguous areas. We will not modify your Protected Territory(ies) upon renewal or any transfer. “Senior Communities” means senior living communities, senior citizen centers, community centers, and other similar facilities for seniors. “Senior” means any individual who is at least 55 years old. We will use different sources to determine the number of Senior Communities in your Protected Territory(ies), including data published by State governments and data included in different websites regarding Senior Communities. Currently we use Valsoft Corporate Inc. DBA GbBIS ([www.gbbis.com](http://www.gbbis.com)). Continuation of your Protected Territory(ies) does not depend on the achievement of a certain sales volume, market penetration or other contingency.

We and our affiliates have the right, outside of the Protected Territory(ies), to offer or grant others the right to offer the Live 2 B Healthy® Senior Fitness programs or offer, sell or distribute any products or services associated with our System (now or in the future) under the Live 2 B Healthy® Senior Fitness trademark or other trademarks, service marks or trade names and through any distribution channel or method, without compensation to any franchisee. We and our affiliates have the right to offer and grant others the right to offer products or services (other than fitness training programs tailored for Seniors) within and outside the Protected Territory(ies) under the Live 2 B Healthy® Senior Fitness trademark or other trademarks, service marks or trade names. Also, we and our affiliates have the right to offer and grant others the right to offer fitness training programs or any other business within and outside the Protected Territory(ies) under trademarks other than the Live 2 B Healthy® Senior Fitness trademark provided that such programs are not offered at Senior Communities. We and our affiliates do not operate or franchise, or currently plan to

operate or franchise, inside the Protected Territory(ies) any business under the Trademarks or any other trademark that offers programs similar to those that will be offered by you under the Franchise Agreement. You will not receive an exclusive territory. You may face competition from other franchisees, from us, or from other channels of distribution or competitive brands that we control.

You do not receive a right, option, right of first refusal or similar rights to acquire additional franchises. We reserve all rights not expressly granted to you under the Franchise Agreement.

**ITEM 13**  
**TRADEMARKS**

The Franchise Agreement grants you the right to operate a franchise under the name Live 2 B Healthy® trademark and other trademarks, service marks, trade names and commercial symbols (collectively, the “Trademarks”). We acquired the rights to our principal Trademark Live 2 B Healthy® through a perpetual license granted to us by Cory Czepa in February, 2010. Mr. Czepa also granted a non-exclusive, sub-licensable, perpetual license to use the Live 2 B Healthy® trademark to our affiliate Live 2 B Healthy, Inc. Through this license, Live 2 B Healthy, Inc. maintained the right to continue offering the Live 2 B Healthy® Senior Fitness programs and to offer other products or services under the trademark. Live 2 B Healthy, Inc. will not offer or grant others the right to offer the Live 2 B Healthy® Senior Fitness programs within the Protected Territory(ies) of existing franchisees. Other than this license, there are no agreements in effect that significantly limit our rights to use or license the use of any Trademarks.

Mr. Czepa owns the following federally registered Trademark:

Description of Mark	Principal/ Supplemental Register of the United States Patent and Trademark Office	Registration Date	Registration Number
LIVE 2 B HEALTHY	Principal	May 31, 2011	3,971,448

Mr. Czepa has filed all required affidavits necessary to date to maintain the above registration of the registered Trademark. There are no currently effective determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, and no pending infringement, opposition or cancellation proceedings regarding the Trademarks. There is no pending federal or state court litigation involving any Trademark that may affect the ownership or use of the Trademark. We are not aware of any infringing uses that could materially affect your use of the Trademarks. Except for the agreements listed above, there are no agreements in effect that significantly limit our rights to use or license the use of any Trademarks.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Trademarks, or to participate in your defense or indemnify you. You must notify us immediately when you learn about an infringement of or challenge to the use of our Trademarks. We will control all litigation and we will have the sole right to take the action we think appropriate, but the Franchise Agreement does not require us to take any action. You must take reasonable steps, without compensation, to assist us with any action we undertake. Under the Franchise Agreement we are not required to defend you against a claim based on your use of our Trademarks, nor will we reimburse you for your liability. You may also be required to reimburse us for liability arising out of your unauthorized use of any of our Trademarks. If we determine that a trademark infringement action requires changes or substitutions to the Trademarks, you must make the changes or substitutions we require at your expense.

**ITEM 14**  
**PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

Currently there are no patents or copyrights currently registered or pending registration that are material to the franchise, although we do claim copyright ownership and protection for our operation and training manuals, the content of our websites and all the materials contained in or available through or websites, for various sales promotional, and other materials we may produce from time to time.

There is no current material determination of, or any material proceeding pending in, the United States Patent and Trademark Office, the United States Copyright Office, or a court regarding any patents or copyrights regarding the franchise. No agreement limits the use of any patents or copyrights regarding the franchise. We do not know of any patent or copyright infringement that could materially affect you.

You must tell us immediately if you learn about an infringement or challenge to the use of any patents or copyrights regarding the franchise. We have no obligation to protect our patents or copyrights. We have no obligation to defend you against claims arising from your use of patented or copyrighted items. We will control all litigation and we will take the action that we think appropriate, but we have no obligation to take any action. We have no obligation to defend or to indemnify you for any expenses or damages in a proceeding involving a patent or copyright we license to you. If we require you to modify or discontinue the use of an item or process covered by a patent or copyright, you must also do so immediately at your own expense.

You must keep confidential during and after the term of the Franchise Agreement all proprietary information, including the manuals. Upon termination of your Franchise Agreement, you must return to us all proprietary information, including the manuals and all other copyright material. You must notify us immediately if you learn about an unauthorized use of proprietary information. We are not obligated to take any action and we have the sole right to decide the appropriate response to any unauthorized use of proprietary information. You must comply with all changes to the manuals at your cost.

**ITEM 15**  
**OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION**  
**OF THE FRANCHISE BUSINESS**

We do not require that you personally supervise the franchised business unless you are your Sales and Operations Manager. Your Sales and Operations Manager must supervise the day-to-day operations of your Live 2 B Healthy® Senior Fitness business. Your Training Coordinators are primarily responsible for keeping the training portion moving smoothly. Not every trainer is a Training Coordinator. Training Coordinators are responsible for training and managing the trainers. Each Training Coordinator must not manage more than 30 trainers and you must have enough Training Coordinators to administer the Live 2 B Healthy® Senior Fitness programs at all the Senior Communities that contract with you without going over this threshold. We do not require that your Sales and Operations Manager or your Training Coordinator have an ownership interest in you. Your Sales and Operations Manager and each Training Coordinator must be approved by us, must successfully complete our initial training requirements and must complete all additional training as we may reasonably designate.

You and your owners, guarantors, officers, directors, managers, employees, contractors or agents, or any other individual or entity related to, or controlled by you must not disclose or use our confidential information except to operate your Live 2 B Healthy® Senior Fitness business. You must obtain from anyone that at any time holds a 10% or greater equity interest in you, your guarantors, your Sales and Operations Manager, all the Training Coordinators, and all your officers, directors, and managers who utilize or may have access to any Confidential Information and deliver to us confidentiality agreements in the forms attached to the Franchise Agreement. You and the persons listed above must also abide by the covenant not to compete described in Item 17. You must also obtain confidentiality agreements in the form

attached to the Franchise Agreement from all your other employees, contractors, agents and representatives who utilize or may have access to any confidential information.

All individuals or entities who, now or in the future, directly or indirectly, own a 10% or greater interest in you if you are an entity, must execute the form of personal guaranty attached to the Franchise Agreement. In addition, if we sign the Franchise Agreement totally or partially based on the financial qualifications, experience, skills or managerial qualifications of any person or entity who owns less than a 10% interest in you, that person or entity must also execute the form of personal guaranty. Furthermore, any individual or entity that at any time after the date of the Franchise Agreement, directly or indirectly acquires a 10% or greater interest in you must execute the form of personal guaranty within 10 days from the date such person or entity acquires the 10% or greater interest in you. A personal guarantee will not be sought from any such individual's spouse unless the spouse also meets the criteria listed above.

**ITEM 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may offer only those products and services that we approve, except as stated at the end of the following paragraph. You must offer all products and services that we designate as required for franchisees offering the Live 2 B Healthy® Senior Fitness programs. We have the right to modify the required products and services that you are required to offer. You must operate your Live 2 B Healthy® Senior Fitness business in conformity with the methods, standards and specifications required by us to maintain uniformity within our franchise system. You must not deviate from our standards and specifications without our prior written consent.

You may not, without our prior written consent, offer or sell any other product or service that is similar to the Live 2 B Healthy® Senior Fitness programs, provided, however, that you may continue offering the products and services that you offered before the date of the Franchise Agreement.

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the agreements attached to this disclosure document.**

Provision	Section in Agreement	Summary
a. Length of the franchise term	Section 5	Initial term is 10 years.
b. Renewal or extension of the term	Section 5	Renewal for additional terms of 10 years each.
c. Requirements for you to renew or extend	Section 5	You give us written notice of your decision to renew at least 90 days but not more than 180 days before the end of the expiring term; you are in full compliance with all agreements between you and us and between you and our affiliates, and there has been no series of defaults by you, whether or not such defaults were cured, and all your debts and obligations to us are current; you comply with our then-current training requirements; you and your owners execute and deliver to us a general release of claims; you sign our then-current form of franchise agreement, which may contain materially different terms and conditions than your original contract, including different fees; you pay us a renewal fee equal to 50% of then-current Initial Franchise Fee for a new franchisee with the same number of Protected Territories.

<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
d. Termination by you	Section 12.C	You may terminate the Franchise Agreement only for a material breach by us, provided you give us written notice of the breach and allow 30 days to cure such breach.
e. Termination by us without cause	None	We may not terminate the Franchise Agreement without cause.
f. Termination by us with cause	Sections 12.A and 12.B	We can terminate the Franchise Agreement only if you default or fail to comply with your obligations.
g. "Cause" defined – curable defaults	Sections 12.A and 12.B	You have 30 days to cure defaults under the Franchise Agreement, except for those listed in h. below.
h. "Cause" defined – non-curable defaults	Sections 12.A, and 12.B	Any material misrepresentation or omission in your franchise application; you cease to operate your Live 2 B Healthy® Senior Fitness business for 30 consecutive business days or other voluntary abandonment of the Franchise Agreement; any unauthorized use of confidential information; any violation to the obligations not to compete; insolvency of you, any of your owners or a guarantor; you, any of your owners or a guarantor making an assignment or entering into any similar arrangement for the benefit of creditors; any portion of your business becomes subject to an attachment, garnishment, levy or seizure by any creditor; any default under the Franchise Agreement that materially impairs the goodwill associated with any of the Trademarks; conviction of you, any of your owners or guarantors of (or pleading no contest to) any felony regardless of the nature of the charges, or any misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of the Trademarks or the System; you fail, refuse or neglect to pay Royalties, MAP Fees, Technology Fees, or any other amounts owed to us within 5 days after the amount becomes due; you understate or underreport gross revenues or Royalties; any unauthorized transfer or assignment; any default by you that is the second same or similar default within any 12-month period or the fourth default of any type within any 24-month period; and termination of another franchise agreement or any other agreement between you or your affiliates and us or our affiliates due to your or your affiliates' default(s).
i. Your obligations on termination / non-renewal	Sections 13.A and 13.B	You will cease to operate the Live 2 B Healthy® Senior Fitness business and will not hold yourself out as a Live 2 B Healthy® Senior Fitness franchisee. You will immediately and permanently cease to use, in any manner, all Confidential Information, including the manuals, methods, procedures and techniques used by or associated with the franchise system, the Trademarks and the distinctive forms, trade dress, slogans, signs, symbols, logos and devices associated with the franchise system. You must immediately return to us, at your expense, all copies of the manuals and any other property held or used by you that is owned by us, and you will cease to use, and will at our option and at our request, destroy or convey to us, all signs, displays, stationery, forms and any other materials that bear or display the Trademarks. You must comply with the post-term non-compete obligations. You must immediately cancel or assign to us, at our option, any assumed name rights or equivalent registrations filed with authorities. You must execute all such documents and perform all such acts as may be required to promptly assign to us the telephone numbers, facsimile numbers, websites, electronic mail addresses and customer lists used in the operation of your Live 2 B Healthy® Senior Fitness business. You will immediately pay

Provision	Section in Agreement	Summary
		all sums owed to us (including minimum Royalties and MAP Fees and Technology Fees for the entire term of the Franchise Agreement, unless you terminate the Franchise Agreement due to our breach and pursuant to the provisions of Section 12.C of the Franchise Agreement), our affiliates or designees and all sums you owe to third parties. You must continue to comply with your confidentiality obligations. You will remain liable for your obligations pursuant to the Franchise Agreement or any other agreement between you and us or our affiliates that expressly or by their nature survive the expiration or termination of the Franchise Agreement. You appoint us as your attorney in fact to authorize us to perform all actions we deem necessary to effectuate your obligations upon termination in the event that you fail to comply with such obligations. You will pay to us all damages, costs and expenses, including reasonable attorneys' fees, incurred by us in obtaining injunctive or other relief for the enforcement of any provision of the Franchise Agreement. See also r. below.
j. Assignment of contract by us	Section 11.B	No restriction on our right to assign our rights under the Franchise Agreement.
k. "Transfer" by you – defined	Section 11.A	Any sale, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by your disability or death or by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of the Franchise Agreement or any interest in it, or any rights or obligations arising under it, or of any material portion of your assets used to operate your Live 2 B Healthy® Senior Fitness business, or if you are a corporation, company, partnership, or other entity, a transfer, pledge, assignment, or other disposition of a majority of the interest in your entity (which will include the cumulative effects of any transfers within a 12-month period).
l. Our approval of transfer by you	Section 11.A	We have the right to approve all transfers. We will not unreasonably withhold our consent if all the requirements for the transfer are met.

<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
m. Conditions for our approval of transfer	Sections 11.A	The assignee must meet all of our then-current requirements for any new franchisee at the time of the proposed transfer; you must be in full compliance with all your obligations under all agreements executed between you and us or our affiliates, and all your debts and financial obligations to us and our affiliates and third parties are current; you and your owners execute a written agreement in a form satisfactory to us in which you and your owners covenant to observe all applicable post-term obligations and covenants contained in the Franchise Agreement; the proposed transferee executes our then current standard form of franchise agreement (modified to reflect that the term is only the remainder of the term under the Franchise Agreement and other modifications to reflect that the agreement relates to a transfer), the terms of which may differ from the Franchise Agreement (including different Royalties and marketing contributions); the proposed transferee's Sales and Operations Manager and the Training Coordinators successfully complete the training and instruction as we deem necessary; you and all holders of an interest in you execute a general release; you pay us a transfer fee equal to 50% of then-current Initial Franchise Fee for franchisees with the same number of Protected Territories; and you comply with any other conditions that we reasonably require from time to time as part of our transfer policies.
n. Our right of first refusal to acquire your business	None	We do not have a right of first refusal to acquire your business under a Franchise Agreement.
o. Our option to purchase your business	None	We do not have an option to purchase your business under a Franchise Agreement.
p. Your death or disability	Section 11.A	Treated as any other transfer under the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Sections 10.A and 10.B	You, anyone that at any time holds a 10% or greater equity interest in you, your guarantors, your Development Executive, your Sales and Operations Manager, all the Training Coordinators, and all your officers, directors, contractors and managers who utilize or may have access to any Confidential Information will have no direct or indirect involvement in any health fitness business offered or available to Seniors which is located within the Protected Territory(ies) or within a 25 mile radius of any Senior Community.
r. Non-competition covenants after the franchise is terminated or expires	Section 10.B	For a period of 2 years after the termination or expiration of the Franchise Agreement, you, anyone that at any time holds a 10% or greater equity interest in you, your guarantors, your Sales and Operations Manager, all the Training Coordinators, and all your officers, directors, contractors and managers who utilize or may have access to any Confidential Information will have no direct or indirect involvement in any health fitness business offered or available to Seniors which is located within the Protected Territory(ies) or within a 50 mile radius of any Senior Community in which the Live 2 B Healthy® Senior Fitness programs are offered or may in the future be offered, whether by us or our affiliates or by a franchisee or licensee. See also second paragraph of q. above.
s. Modification of the agreement	Sections 1.D, 1.I, 1.J, 4.A, 4.C, 4.E, 4.H, 4.L, 7.A, 7.D, 6.C, 8.B, 8.C, 9.B, 15.B, 15.C, and 15.D	Generally, no modifications to the Franchise Agreement. We have the right to change the Trademarks, our manuals, the franchise system, our policies, some of the services we provide to you, or other requirements as stated in the Franchise Agreement.

<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
t. Integration/merger clause	15.D	Only the terms of the Franchise Agreement, including its respective exhibits, are binding (subject to state law). Any other promises may not be enforceable. Notwithstanding the foregoing, you will be entitled to rely on the representations contained in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 14.B	Except for certain disputes listed in Section 14.C of the Franchise Agreement, all disputes must be mediated and, if not resolved by mediation, submitted to binding arbitration. Arbitration and mediation will be conducted in Minneapolis, Minnesota (subject to state law).
v. Choice of forum	Section 14.D	Subject to state law, litigation must be brought in the Federal District Courts located in Minnesota or in the State courts located in Minneapolis, Minnesota.
w. Choice of law	Section 14.A	Subject to state law, our rights under federal trademark laws, and the parties' rights under the Federal Arbitration Act in accordance with Section 14.B of the Franchise Agreement, the franchise relationship will be governed by the laws of the state where the Protected Territory(ies) is (are) located or, if the Protected Territory(ies) include(s) areas in more than one state, the state with the largest area in the Protected Territory(ies).

See the state-specific addendums attached to this disclosure document or the Franchise Agreement for additional, state-specific disclosures required by the laws of certain states.

### **ITEM 18** **PUBLIC FIGURES**

We currently do not use any public figure to promote this franchise. No public figure is an owner of us or is involved in our management or control.

### **ITEM 19** **FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

As of the end of 2023, we had granted 22 Protected Territories that were in operation for at least 12 months. The following table includes revenue data on those Protected Territories:

Total Combined Gross Sales from All 22 Protected Territories	\$3,383,446.78
Average Gross Sales Per Protected Territory	\$147,106
Protected Territory with the Highest Gross Sales	\$654,661
Protected Territory with the Lowest Gross Sales	\$0
Median Gross Sales per Protected Territory	\$ 122,000
Number of Protected Territories Meeting or Exceeding Average Gross Sales	12
Percent of Protected Territories Meeting or Exceeding Average Gross Sales	54%

The information on the table above was prepared by us using information provided by our existing franchisees. We did not audit or otherwise verify the information. The information above is not a forecast of your potential financial performance. You cannot rely just on sales figures in calculating prospective profitability. The profitability of individual businesses depends on a number of factors including your management skill, experience and business acumen; local economic conditions; the local market for our product; and competition. These factors vary due to individual characteristics of the franchised business.

Other than the preceding financial performance representation, [name of franchisor] does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting [name, address, and telephone number], the Federal Trade Commission, and the appropriate state regulatory agencies.

You are responsible for developing your own business plan for your business, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances. We encourage you to consult with your own accounting, business, and legal advisors to assist you to identify the expenses you likely will incur in connection with your business, to prepare your budgets, and to assess the likely or potential financial performance of your business.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**

**Systemwide Outlet Summary**  
**For Years 2021 to 2023**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>	<b>Column 5</b>
<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2021	24	24	0
	2022	24	23	-1
	2023	23	22	-1
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	24	24*	0
	2022	24	23**	-1
	2023	23	22***	-1

\* At the end of 2021 we had 15 franchisees, but 6 of those franchisees operated multiple Protected Territories each, bringing the total of Protected Territories in operation to 24.

\*\* At the end of 2022 we had 14 franchisees, but 6 of those franchisees operated multiple Protected Territories each, bringing the total of Protected Territories in operation to 23.

\*\*\* At the end of 2023 we had 11 franchisees, but 6 of those franchisees operated multiple Protected Territories each, bringing the total of Protected Territories in operation to 22.

**Table No. 2**

**Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)  
For Years 2021 to 2023**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Arizona	2021	0
	2022	1
	2023	0
California	2021	0
	2022	0
	2023	1
	2021	0
	2022	0
	2023	2
Total	2021	0
	2022	1
	2023	3

**Table No. 3**

**Status of Franchised Outlets  
For Years 2021 to 2023**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>	<b>Column 5</b>	<b>Column 6</b>	<b>Column 7</b>	<b>Column 8</b>	<b>Column 9</b>
<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non-renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations - Other Reasons</b>	<b>Outlets at End of the Year</b>
Arizona	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
California	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Colorado	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Iowa	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Luisiana	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
Minnesota	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2021	1	0	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
South Dakota	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Texas	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	1	0	0	1
Total	2021	24	0	0	0	0	0	24
	2022	24	0	1	0	0	0	23
	2023	23	0	0	1	0	0	22

**Table No. 4**

**Status of Company-Owned Outlets  
For Years 2021 to 2023**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

**Table No. 5**

**Projected Openings as of April 30, 2024**

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
Florida	0	1	0
Texas	0	1	0
Totals	0	3	0

Exhibit D lists the names of all current franchisees and their address and telephone number, and the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system. There is no franchisee organization associated with the franchise system created, sponsored or endorsed by us. No franchisee organization associated with the franchise system has requested to be included in this disclosure document.

**ITEM 21**  
**FINANCIAL STATEMENTS**

Exhibit B is a copy of our audited financial statements as of December 31, 2023, containing information for each of the fiscal years ended December 31, 2021, 2022, and 2023. Our audited financial statements have been prepared in accordance with generally accepted accounting principles and audited by Knav CPA, LLP.

**ITEM 22**  
**CONTRACTS**

A copy of the Franchise Agreement (and all exhibits to it) is attached as Exhibit C. A copy of our Confidential Disclosure Agreement is attached as Exhibit F.

**ITEM 23**  
**RECEIPTS**

You will find copies of a detachable receipt at the very end of this disclosure document.

ADDENDUM TO THE LIVE 2 B HEALTHY® SENIOR FITNESS  
DISCLOSURE DOCUMENT FOR THE STATE OF CALIFORNIA

The following information applies to franchises and franchisees subject to California statutes and regulations. The Item number corresponds to those in the main body.

Item 3

Neither we nor any person mentioned in Item 2, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

Items 5 and 7

Items 5 and 7 of the disclosure document are amended to state that payment of the Initial Franchise Fee is deferred until the date we have completed our initial obligations. Once we have complied with our initial obligations you shall pay the Initial Franchise Fee.

Item 17

1. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with those provisions, the law will control.
2. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
4. The franchise agreement requires binding arbitration. The arbitration will occur in Minnesota, with the costs being borne by the losing party. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
5. Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Business Oversight before we ask you to consider a material modification of your franchise agreement.
6. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

We reserve the right to establish alternative channels of distribution within your Protected Territory(ies).

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at [www.dbo.ca.gov](http://www.dbo.ca.gov).

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

ADDENDUM TO THE LIVE 2 B HEALTHY® SENIOR FITNESS  
DISCLOSURE DOCUMENT FOR THE STATE OF MINNESOTA

The following information applies to franchises and franchisees subject to Minnesota statutes and regulations. The Item number corresponds to those in the main body.

Items 5 and 7

Items 5 and 7 of the disclosure document are amended to state that payment of the Initial Franchise Fee is deferred until the date we have provided you all the initial training to enable you to start operating your Live 2 B Healthy® Senior Fitness business and you are ready to start operations.

Item 13

Item 13 of the disclosure document is amended to state that we will protect your right to use the Trademarks and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Trademarks when your right to use the Trademarks requires protection.

Item 17

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Pursuant to Minn. Rule 2860.4400D, a franchisee may not be required to assent to a release or waiver that would relieve any person from liability imposed by Minn. Stat., sections 80C.01 to 80C.22. Therefore, nothing in the Franchise Agreement will operate to release us from any liability under Minn. Stat., sections 80C.01 to 80C.22.

While we can seek injunctive relief you we cannot ask you to consent to us obtaining injunctive relief. Also, a court will determine if a bond is required on any legal action we initiate.

The disclosure document is amended to state that we will comply with Minn. Stat. 80C.14 subdivisions 3, 4, and 5, which require, except in certain specific cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release. The disclosure document is modified accordingly to exclude claims under the Minnesota Franchise Law.

Minn. Rule 2860.4400J prohibits a franchisor from requiring a franchisee to consent to termination penalties or liquidated damages. Therefore, the requirement that the franchisee consent to termination penalties or liquidated damages is deleted from Item 17(i) and from any other place it appears in the disclosure document.

Minn. Rule 2860.4400J prohibits a franchisor from requiring a franchisee to waive its rights to a jury trial or to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Therefore, the requirement that the franchisee waive its right to a jury trial is deleted from the Franchise Agreement and from any other place it appears in the disclosure document.

Any claims arising under the Minnesota Franchise Law must be brought within 3 years after the grant of the Franchise Agreement.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

EXHIBIT A  
LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS

**CALIFORNIA**

California Commissioner of Business Oversight  
Department of Business Oversight  
1515 K Street, Suite 200  
Sacramento, California 95814-4052  
(916) 445-7205  
Toll Free: 1-866-275-2677

**FLORIDA**

Florida Department of Consumer Services  
Mayo Building, Second Floor  
Tallahassee, Florida 32399-0800  
(904) 922-2770

**HAWAII**

Commissioner of Securities  
Department of Commerce and Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813  
(808) 586-2722

**ILLINOIS**

Illinois Office of Attorney General Franchise Bureau  
500 South Second Street  
Springfield, Illinois 62706  
(217) 782-4465

**INDIANA**

Indiana Securities Division (Administrator)  
302 W. Washington Street, Room E111  
Indianapolis, Indiana 46204  
(317) 232-6531

**KENTUCKY**

Kentucky Office of the Attorney General  
Consumer Protection Division  
P.O. Box 2000  
Frankfort, Kentucky 40602  
(502) 573-2200

**MARYLAND**

Maryland Office of Attorney General  
Division of Securities  
200 St. Paul Place, 20th Floor  
Baltimore, Maryland 21202-2020  
(410) 576-6360

**Registered Agent to Receive Service of Process**

Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, Maryland 21202-2020

**MICHIGAN**

Michigan Attorney General's Office  
Consumer Protection Division  
Attn: Franchise Unit  
670 Law Building  
Lansing, Michigan 48913  
(517) 373-7117

**MINNESOTA**

Minnesota Department of Commerce  
Commissioner of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, Minnesota 55101  
(651) 539-1600

**NEBRASKA**

Nebraska Department of Banking & Finance  
1200 North Street, Suite 311  
P.O. Box 95006  
Lincoln, Nebraska 68509-5006  
(402) 471-3445

**NEW YORK**

New York Secretary of State of the State of New York  
162 Washington Avenue  
Albany, New York 12231

New York State Department of Law  
Bureau of Investor Protection and Securities  
120 Broadway, 23rd Floor  
New York, New York 10271  
(212) 416-8211

**NORTH DAKOTA**

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol, Fifth Floor  
Dept. 414  
Bismarck, North Dakota 58505-0510  
(701) 328-4712

**OREGON**

Oregon Department of Consumer & Business Services  
Division of Finance and Corporate Securities  
Labor and Industries Building  
Salem, Oregon 97310  
(503) 378-4387

**RHODE ISLAND**

Chief Securities Examiner  
Rhode Island Department of Business Regulation  
Banking Division, Franchise Section  
233 Richmond Street, Suite 232  
Providence, Rhode Island 02903-4232  
(401) 222-3048

**SOUTH DAKOTA**

Department of Labor and Regulation  
Division of Securities  
445 E Capitol Avenue  
Pierre South Dakota 57501  
(605) 773-4823

**TEXAS**

Statutory Document Section  
Texas Secretary of State  
1019 Brazos Street, Room B05  
Austin, Texas 78701  
(512) 475-1769

**UTAH**

State of Utah  
Division of Consumer Protection  
P.O. Box 45804  
Salt Lake City, Utah 84145-0804  
(801) 530-6601

**VIRGINIA**

Virginia State Corporation Commission  
Division of Securities and Retail Franchising  
1300 East Main Street  
Richmond, Virginia 23219  
(804) 371-9051

Clerk of the State Corporation Commission  
1300 East Main Street, 1st Floor  
Richmond, Virginia 23219

**WASHINGTON**

State of Washington  
Department of Financial Institutions  
Securities Division  
P.O. Box 9033  
Olympia, Washington 98507-9033  
(360) 902- 8760

**WISCONSIN**

Wisconsin Commissioner of Securities  
345 West Washington Ave., 4<sup>th</sup> Floor  
Madison, Wisconsin 53703  
(608) 266-8818

EXHIBIT B  
**Financial Statements**

EXHIBIT C

**Franchise Agreement**

## EXHIBIT D

### **List of Live 2 B Healthy® Senior Fitness Franchisees and Former Franchisees as of December 31, 2023**

Franchisees that left the system in 2023:

Mark Templeton  
1910 Foster Leaf Lane  
Richmond, TX 77406  
832-772-6085

Except as set forth above, in 2023 no franchisees (i) had their franchise agreements expire and chose not to renew, (ii) left the system, or (iii) have failed to communicate with the franchisor within 10 weeks of the disclosure document issuance date.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

#### Current franchisees as of the end of 2023:

<b>Arizona</b>	3504 S. Marson Manor Circle Sioux Falls, IA 57103 605-359-0004	612-481-7274
Phoenix Area Territory Mike Temple & Chris Pipkin M&C Endeavors, LLC 47 Julia Ann Drive NW Cedar Rapids, Iowa 52405 319-929-9915	Pursuit Sports, Inc. 5915 NW 51 <sup>st</sup> Street Johnston, IA 50131 515-778-2589	Live 2 B Healthy CMB, LLC 1128 Bridle Creek Drive Jordan, MN 55352 952-715-1239
<b>California</b>	Territory – 4 Iowa Mike & Kelly Nygard Nygard Fitness, LLC 9331 Yukon Avenue South Bloomington, Minnesota 55438 612-751-9151	Cory Czepa (4 Territories) Czepa Wellness 3485 230th St. E Prior Lake, MN 56372 612-702-2679
North San Diego Claire Allen Extraordinary Enterprises, Inc. PO BOX 270014 Louisville, Colorado 80027 479-531-6431	Southeastern Iowa Mike & Kelly Nygard Nygard Fitness, LLC 9331 Yukon Avenue South Bloomington, Minnesota 55438 612-751-9151	St. Croix Territory Mike and Kelly Nygard Nygard Fitness, LLC 215 Cecil Street S.E. Minneapolis, Minnesota 55414 612-751-8888
Joe and Tina Bettencourt (2 Territories) 1717 N California Blvd. Suite 2C Walnut Creek, California 94596 530-945-5291	Ashley and John Phelps (2 Territories) Assisted Functional Fitness, LLC 2608 NW 160th Street Clive, Iowa 50325 515-231-2502	<b>South Dakota</b>
<b>Colorado</b>		Pap Senior Fitness (Mike Pap) 3504 S. Marson Manor Circle Sioux Falls, IA 57103 605-359-0004
Claire Allen (3 Territories) 575 Augusta Drive Louisville, Colorado 80027 720-485-4124	<b>Minnesota</b>	<b>Texas</b>
<b>Iowa</b>	MJJG Health Group 235 S. 2nd Ave. Proctor, MN 55810	Kara Sakelarakis 6505 Park Blvd Suite 306 PMB225 Plano, TX 75093 972-836-8536
Pap Senior Fitness		

## EXHIBIT E

### **Operating Manual**

#### **Table of Contents**

<u>Subject</u>	<u>Number of Pages</u>
Welcome letter from the CEO	2
Franchise Operations Manual table of contents	4
Franchise Owner Orientation & Training Checklist	8
Franchise Contacts for Support	2
Franchisee Paperwork Checklist	1
<b>“Marketing and Sales” Section Overview</b>	1
<b>General Marketing Materials</b>	1
Introduction Letter to communities	1
Leave Behind Folders	2
Marketing Starter Kit	1
Logos	1
Apparel	1
Residential Community -focused web site overview	2
Residential Community-focused brochure (description, printout)	2
Sample Live 2 B Healthy® Senior Fitness promo postcard	1
Notes Page:	1
Marketing DVD	1
Program Testimonials	1
Sample Resident Test Results for Communities	1
Residential Community ROI Worksheet, Instructions and Sample	4
<b>Marketing Support for Residential Communities</b>	1
Family-focused web site description: program descriptions, interview checklist, resources,	3
Family-focused Brochures and Flyer	3
Community Tour Talking points for community owners offering tours to residents and families	2
Welcome packet for New Residents and their Families	4
Notes Page:	1
Email Templates to Markets	3
Drop-in Visits to Community Owners	1
Phone Scripts for Calling Community Owners	3
Conversations (phone or in person) with community owners	3
Sales Meeting with Community Owners	1
Sales Meeting Sample Agenda	2
Sample PowerPoint Slides	12
Key Talking Points	2
Meeting follow-up	4
<b>Trade Show</b> (prep, display, & admin)	4
Trade Show FAQ’s	2
Trade Show Testimonials Displays	2
Trade Show Follow Up	2

<u>Subject</u>	<u>Number of Pages</u>
Marketing Plan – Basic Checklist & step-by-step guide	6
Marketing Plan – Premiere Checklist & step-by-step guide	6
<b>Contract with Communities Section Overview</b>	1
30 Day Quick Start Marketing Plan	11
Notes:	1
New Community Contracting Sequence	2
Pilot Program	1
Residential Owners Association Contract	4
Resident Contract	3
Photo Consent form for residents	1
Resident Fitness Assessment	1
Community Information Meeting	3
Community Posters	5
Fitness Awards	3
Press Release Samples and Guidance	5
<b>Hire Great Personal Trainers Section Overview</b>	1
Where to find great trainers	1
Personal Trainer Advertising Templates	3
Confidentiality and Non-Disclosure Agreement	4
Interview Preparation and Process	2
Article “How to choose a quality fitness instructor”	3
Sample Interview Questions	1
Editable interview guide	8
Candidate Tracking Sheet	1
Independent Contractor Agreement	4
Personal Trainer Interview Packet	1
Company Mission & Personal Trainer Job Description	2
Personal Trainer Best Practices and Performance Expectations	2
Personal Trainer Tips & Helpful Hints	1
Lesson Plan Development	1
Medical Clearance Form	1
Accident Report Form	2
Participant Survey	1
Personal Trainer Signature Page	1
Background Check Process & Forms & Trainer Website Access Info & Trainer Audit Checklist	1
Sample “no thanks” Communication with candidates whom you won’t be hiring	1
If a Trainer isn’t working out	5
Warning documentation:	1
Progressive Discipline Form & Counseling Discussion Plan	1
Terminating a Trainer’s Contract	2
<b>“Exercises and Testing” Section Intro</b>	1
Personal Trainer Website & sample exercise programs	3
Quarterly resident testing: types of tests	1
Individual notes for testing date	1

<u>Subject</u>	<u>Number of Pages</u>
Test Results Tracking Sheet-Individual	1
Test Results Tracking Sheet-Group	1
Senior Fitness Testing Guide	9
<b>“Manage and Grow the Business” Section Overview</b>	1
Products and services provided by the company	4
Office equipment and software	1
Franchise Owner Business notes/Business Calendar	1
	2
Suppliers and approved vendors	2
Preferred Vendor Guidelines	4
Monthly participation tracking sheet	1
Monthly sales call tracking sheet	1
Sample invoice to residential community	1
<b>“Franchise Community” Section Overview</b>	1
<b>Franchise Web Overview</b>	4
Conference Calls with CEO & Sales and Operations Manager	2
Franchise Owner FAQ’s	3
Closing notes from CEO	1
Glossary of terms	1
	2
Total Pages in Manual as of April 30, 2024	240

EXHIBIT F

**Confidential Disclosure Agreement**

Live 2 B Healthy Senior Fitness, LLC (“we” or “our”) and the undersigned (“you”) are interested in discussing the possibility of you (or an entity controlled by you) becoming a franchisee. In the course of such negotiations we may share with you information, knowledge and know-how, including systems, manuals, plans, methods, procedures, techniques, records, market research, possible customers lists, materials, specifications, information systems, and other information (collectively, the “Confidential Information”) to enable you to decide if you wish to become a Live 2 B Healthy® Senior Fitness franchisee. We require that our Confidential Information be maintained in strict confidence and that you not copy or attempt to duplicate in any way the Live 2 B Healthy® Senior Fitness business concept based on use of the Confidential Information.

Your acceptance of the terms of this confidential disclosure agreement indicates that:

You agree to maintain as confidential the Confidential Information;

1. You agree not to disclose the Confidential Information to anyone without our prior written approval;
2. You agree to use the Confidential Information only in connection with your consideration of becoming a Live 2 B Healthy® Senior Fitness business franchisee;
3. You agree not to reproduce any of the Confidential Information and to return to us all Confidential Information received by you immediately upon our request; and
4. You agree to be bound by the foregoing obligations at all times, whether or not you become a Live 2 B Healthy® Senior Fitness franchisee.

Upon a breach or threatened breach by you of this Agreement, we are entitled to immediate injunctive relief and any other equitable remedies, as well as all available remedies at law, and to recover costs and expenses (including legal fees) incurred to enforce our rights under this Agreement.

Accepted and agreed:

Date: \_\_\_\_\_, 202\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

EXHIBIT G

**Franchisee Questionnaire**

As you know, Live 2 B Healthy Senior Fitness, LLC (the “Franchisor”) and you are preparing to enter into a Franchise Agreement for the operation of a franchised Live 2 B Healthy® Senior Fitness business (the “Franchise”). The purpose of this questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

<b>QUESTION</b>	<b>YES</b>	<b>NO</b>
1. Have you received and personally reviewed the Franchisor’s disclosure document (the “disclosure document”) provided to you?		
2. Did you sign a receipt for the disclosure document indicating the date you received it?		
3. Do you understand all of the information contained in the disclosure document?		
4. Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?		
5. Please insert the date on which you received a copy of the Franchise Agreement with all material blanks fully completed: _____		
6. Do you understand the terms of and your obligations under the Franchise Agreement?		
7. Have you discussed the benefits and risks of operating the Franchise with an attorney, accountant or other professional advisor?		
8. Do you understand the risks associated with operating the Franchise?		
9. Do you understand that the success or failure of the Franchise will depend in large part upon your skills and abilities, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?		
10. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the Franchise that is contrary to, or different from, the information contained in the disclosure document?		
11. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchise will generate that is contrary to, or different from, the information contained in the disclosure document?		
12. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs involved in operating the Franchise that is contrary to, or different from, the information contained in the disclosure document?		
13. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual, average or projected profits or earnings or the likelihood of success that you should or might expect to achieve from operating the Franchise that is contrary to, or different from, the information contained in the disclosure document?		
14. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance relating to the Franchise that is contrary to, or different from, the information contained in the disclosure document?		

If you answered “Yes” to any of questions ten (10) through fourteen (14), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered “No” to each of the foregoing questions, please leave the following lines blank.

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You understand that your answers are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Franchise Applicant (Print Name)

\_\_\_\_\_, 202\_\_

## STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California	
Minnesota	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**ITEM 23  
RECEIPT**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Live 2 B Healthy Senior Fitness, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale. Those states identified in Exhibit A with “Effective Dates” may require us to provide you a copy of this disclosure document upon the earlier of (i) our first personal meeting, (ii) 14 calendar days before you sign a binding agreement with, or make a payment to us; or (iii) 10 business days before you sign a binding agreement with, or make a payment to us. In all such cases, we will provide you a copy of the disclosure document by or before the date mandated by the laws of the particular state.

If Live 2 B Healthy Senior Fitness, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

The franchise seller for this offering is Cory Czepa, our Chief Manager and President, or Justin Brady, our Vice President, Live 2 B Healthy Senior Fitness, LLC, 3485 230th St. E., Prior Lake, Minnesota 55372, 651-661-9351.

Issuance Date: July 5, 2024, provided that in the states identified in Exhibit A with “Effective Dates” this disclosure document will become effective in each such state on the date set forth in Exhibit A for such state.

See Item 1 and Exhibit A for our registered agents authorized to receive service of process.

I have received a disclosure document dated July 5, 2024, that included the following Exhibits:

- A. State Franchise Administrators and Agents for Service of Process
- B. Financial Statements
- C. Franchise Agreement
- D. List of Franchisees and Former Franchisees
- E. Table of Contents of the Operating Manual
- F. Confidential Disclosure Agreement and Receipt
- G. Franchisee Questionnaire

If a business entity:

If an individual:

By: \_\_\_\_\_

\_\_\_\_\_ (Print Name)

Its: \_\_\_\_\_

Date: \_\_\_\_\_

(do not leave blank)

Please sign this copy of the receipt, date your signature, and return it to Live 2 B Healthy Senior Fitness, LLC, 3485 230th St. E., Prior Lake, Minnesota 55372. This disclosure document is also available in pdf format through e-mail.

Copy for Prospective Franchisee

**ITEM 23  
RECEIPT**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Live 2 B Healthy Senior Fitness, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale. Those states identified in Exhibit A with “Effective Dates” may require us to provide you a copy of this disclosure document upon the earlier of (i) our first personal meeting, (ii) 14 calendar days before you sign a binding agreement with, or make a payment to us; or (iii) 10 business days before you sign a binding agreement with, or make a payment to us. In all such cases, we will provide you a copy of the disclosure document by or before the date mandated by the laws of the particular state.

If Live 2 B Healthy Senior Fitness, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

The franchise seller for this offering is Cory Czepa, our Chief Manager and President, or Justin Brady, our Vice President, Live 2 B Healthy Senior Fitness, LLC, 3485 230th St. E., Prior Lake, Minnesota 55372, 651-661-9351.

Issuance Date: July 5, 2024, provided that in the states identified in Exhibit A with “Effective Dates” this disclosure document will become effective in each such state on the date set forth in Exhibit A for such state.

See Item 1 and Exhibit A for our registered agents authorized to receive service of process.

I have received a disclosure document dated July 5, 2024, that included the following Exhibits:

- A. State Franchise Administrators and Agents for Service of Process
- B. Financial Statements
- C. Franchise Agreement
- D. List of Franchisees and Former Franchisees
- E. Table of Contents of the Operating Manual
- F. Confidential Disclosure Agreement and Receipt
- G. Franchisee Questionnaire

If a business entity:

If an individual:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_ (Print Name)

Date: \_\_\_\_\_  
(do not leave blank)

Please sign this copy of the receipt, date your signature, and return it to Live 2 B Healthy Senior Fitness, LLC, 3485 230th St. E., Prior Lake, Minnesota 55372. This disclosure document is also available in pdf format through e-mail.

Copy for Live 2 B Healthy Senior Fitness, LLC