

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
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 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.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT PERMITS YOU TO MEDIATE, ARBITRATE OR LITIGATE WITH US ONLY IN MINNESOTA. OUT OF STATE MEDITATION, 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more franchise brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

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	

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EXHIBITS

- A. LIST OF STATE AGENCIES
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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 15th 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)

(1) Type of Fee (Note 1)	(2) Amount	(3) Due Date	(4) Remarks
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.

(1) Type of Fee (Note 1)	(2) Amount	(3) Due Date	(4) Remarks
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 15th 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

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment Is To Be Made
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.

Obligation	Section in Agreement*	Disclosure Document Item
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

Obligation	Section in Agreement*	Disclosure Document Item
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
Totals	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). 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.

Provision	Section in Agreement	Summary
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.

Provision	Section in Agreement	Summary
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.

Provision	Section in Agreement	Summary
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.

We do not make any promises or representations of any kind that you will achieve any particular results or level of sales or profitability or even achieve break-even results in any particular year of operation. 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 these services; and competition. These factors also vary due to individual characteristics of the franchised business.

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**

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
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**

Column 1	Column 2	Column 3
State	Year	Number of Transfers
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**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
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.

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.

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 7th 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., 4th Floor
Madison, Wisconsin 53703
(608) 266-8818

EXHIBIT B
Financial Statements

Live 2 B Healthy Senior Fitness, LLC

Financial Statements

December 31, 2023, December 31, 2022 and December 2021

KNAV CPA LLP

Certified Public Accountants

One Lakeside Commons, Suite 850

990 Hammond Drive NE, Atlanta, GA 30328



America Counts on CPAs

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Independent Auditor's Report

To the Members',
Live 2 B Healthy Senior Fitness, LLC

Opinion

We have audited the accompanying financial statements of Live 2 B Healthy Senior Fitness, LLC (the 'Company') which comprise the balance sheets as of December 31, 2023, December 31, 2022, and December 31, 2021, and the related statements of operations, members' equity, and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Company as of December 31, 2023, December 31, 2022, and December 31, 2021, and the results of its operations and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are required to be independent of Live 2 B Healthy Senior Fitness, LLC, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Live 2 B Healthy Senior Fitness, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the



aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Live 2 B Healthy Senior Fitness, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Live 2 B Healthy Senior Fitness, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV CPA LLP

Atlanta, Georgia
April 26, 2024

Live 2 B Healthy Senior Fitness, LLC

Financial Statements

December 31, 2023, December 31, 2022 and December 2021

Financial Statements

Live 2 B Healthy Senior Fitness, LLC

Financial Statements

December 31, 2023, December 31, 2022 and December 2021

Balance Sheets

(All amounts in United States Dollars, unless otherwise stated)

	As at		
	December 31, 2023	December 31, 2022	December 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	348,882	272,049	203,887
Due from related parties	229	-	-
Accounts receivables	8,580	16,218	4,418
Other current assets	-	36,200	36,200
Total current assets	357,691	324,467	244,505
TOTAL ASSETS	357,691	324,467	244,505
LIABILITIES			
Current liabilities			
Other current liabilities	9,096	14,006	1,489
Total current liabilities	9,096	14,006	1,489
Total liabilities	9,096	14,006	1,489
Members' equity			
Members' equity	151,933	171,600	171,600
Retained earnings	196,662	138,861	71,416
Total members' equity	348,595	310,461	243,016
TOTAL LIABILITIES AND MEMBERS' EQUITY	357,691	324,467	244,505

(The accompanying notes are an integral part of these financial statements)

Live 2 B Healthy Senior Fitness, LLC

Financial Statements

December 31, 2023, December 31, 2022 and December 2021

Statements of Operations

(All amounts in United State Dollars, unless otherwise stated)

	For the years ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Revenue			
Royalties	237,865	230,315	181,752
Marketing fees	51,642	51,479	46,633
Franchise fees	11,700	16,850	-
Product and equipment sales	23,689	31,477	28,048
Total revenue	324,896	330,121	256,433
Operating expenses	233,984	233,235	199,558
Selling and administrative expenses	33,111	29,441	53,993
Total expenses	267,095	262,676	253,551
Income from operations	57,801	67,445	2,882
Other income	-	-	1,008
Net income	57,801	67,445	3,890

(The accompanying notes are an integral part of these financial statements)

Live 2 B Healthy Senior Fitness, LLC
 Financial Statements
 December 31, 2023, December 31, 2022 and December 2021

Statements of Changes in Members' Equity

(All amounts in United States Dollars, unless otherwise stated)

	Members' contribution	Retained earnings	Total members' equity
Members' equity as of January 01, 2021	268,600	67,526	336,126
Withdrawals during the year	(97,000)	-	(97,000)
Net income for the year	-	3,890	3,890
Members' equity as of December 31, 2021	171,600	71,416	243,016
Members' equity as of January 01, 2022	171,600	71,416	243,016
Net income for the year	-	67,445	67,445
Members' equity as of December 31, 2022	171,600	138,861	310,461
Members' equity as of January 01, 2023	171,600	138,861	310,461
Withdrawals during the year	(19,667)	-	(19,667)
Net income for the year	-	57,801	57,801
Members' equity as of December 31, 2023	151,933	196,662	348,595

(The accompanying notes are integral part of these financial statements.)

Live 2 B Healthy Senior Fitness, LLC
 Financial Statements
 December 31, 2023, December 31, 2022 and December 2021

Statements of Cash Flows

(All amounts are in United State Dollars, unless otherwise stated)

	December 31, 2023	For the year ended December 31, 2022	December 31, 2021
Cash flows from operating activities			
Net income	57,801	67,445	3,890
Adjustments to reconcile net income to net cash provided by / (used in) operating activities			
Allowances on accounts receivable	1,150	1,221	2,850
Changes in operating assets and liabilities			
Accounts receivable	6,488	(13,021)	(5,018)
Due from related parties	(229)	-	-
Other current assets	36,200	-	(26,467)
Other current liabilities	(4,910)	12,517	(73,118)
Net cash provided by / (used in) operating activities	96,500	68,162	(97,863)
Cash flows from financing activities			
Withdrawals from members' equity	(19,667)	-	(97,000)
Net cash used in financing activities	(19,667)	-	(97,000)
Net increase / (decrease) in cash and cash equivalents	76,833	68,162	(194,863)
Cash and cash equivalents at the beginning of the year	272,049	203,887	398,750
Cash and cash equivalents at the end of the year	348,882	272,049	203,887

(The accompanying notes are an integral part of these financial statement)

Live 2 B Healthy Senior Fitness, LLC

Financial Statements

December 31, 2023, December 31, 2022 and December 2021

Notes to Financial Statements

NOTE A - NATURE OF OPERATIONS

Live 2 B Healthy Senior Fitness, LLC (the Company) was organized on January 15, 2010 in the State of Minnesota. The Company provides flexible approach to wellness through education, fitness and community. The financial statements are prepared for the purpose of Franchise Distribution documentation ("FDD").

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statement are as follows:

1. Basis of Accounting

- a. The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ("US GAAP"), to reflect the balance sheets, statement of operations, members' equity, and statement of cash flows.
- b. All the amounts are stated in United States Dollars except as otherwise specified.
- c. The financial statements are prepared for the years ended December 31, 2023, December 31, 2022 and December 31, 2021.

2. Revenue Recognition

The Company recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers (Topic 606).

The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

Franchise fees, management fees and royalties are governed by the terms and conditions of the Franchise Disclosure Document ("FDD"). In addition, the Company sells product and equipment to franchisees to aid in their program offerings. The Company recognizes product and equipment sales when the risk of loss and title pass to the franchisee, generally at the time of shipment.

Royalties and Management fees:

Royalty revenue is measured based on the consideration which the entity is expected to be entitled to in the ordinary course of the Company's activities. This is primarily composed of the contractual percentage of the franchisees' reported gross receipts or a predetermined fixed rate per month, whichever is higher. The royalty revenue is recognized by the Company at the point of sale.

Product and equipment sales:

Other revenue includes product and equipment sales. Other revenue are recognized when the Company has delivered the products or equipment to the franchisee and there is no unfulfilled obligation that could affect the acceptance of the product and equipment.

Live 2 B Healthy Senior Fitness, LLC

Financial Statements

December 31, 2023, December 31, 2022 and December 2021

3. Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less on the date of purchase. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in bank accounts are insured by Federal Deposit Insurance Corporation up to an aggregate of \$250,000 per depositor at each financial institution.

4. Accounts Receivable

Accounts receivable from customers are recorded at the original invoiced amounts net of an allowance for doubtful accounts. We make estimates of expected credit losses for our allowance by considering a number of factors, including the length of time trade accounts receivable are past due, previous loss history continually updated for new collections data, the credit quality of our customers, current economic conditions, reasonable and supportable forecasts of future economic conditions and other factors that may affect our ability to collect from customers. The provision for estimated credit losses is recorded in accounts receivable, net of allowance on our balance sheets.

5. Income Taxes

The Company is a partnership for income tax reporting purposes. In lieu of corporation income taxes, the members separately account for their pro-rata shares of the Company's items of income, deductions, losses, and credits. Accordingly, no income taxes have been recognized in the accompanying financial statements.

In accordance with Financial Accounting Standards Board ASC Topic 740, Income Taxes, management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2020. Interest and penalties are classified as an expense when incurred.

6. Use of Estimates

The preparation of financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The Company's most significant estimates include, but are not limited to, allowance for expected credit loss. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

7. Leases

The Company has one lease for a warehouse space which is a monthly lease agreement. The Company does not recognize short term lease that have a term of twelve months or less as lease assets or lease liabilities.

8. Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred. For the years ended December 31, 2023, December 31, 2022 and December 31, 2021 the advertising and marketing costs recognized in the statements of operations was \$5,780, \$2,735 and \$1,598, respectively.

Live 2 B Healthy Senior Fitness, LLC

Financial Statements

December 31, 2023, December 31, 2022 and December 2021

9. *Fair Value Measurements and Financial Instruments*

Assets and liabilities recorded at fair value in the financial statement are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable and related party receivables. The estimated fair value of these instruments approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

10. *Recently Adopted Accounting Pronouncements*

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," or ASU No. 2016-13. The amendments in ASU No. 2016-13 introduce an approach based on expected losses to estimated credit losses on certain types of financial instruments and provide for a simplified accounting model for purchased financial assets with credit deterioration since their origination. The new standard requires financial assets measured at amortized cost be presented at the net amount expected to be collected through an allowance for credit losses that is deducted from the amortized cost basis.

The Company adopted the ASU No. 2016-13, "Financial Instruments-Credit Losses (Topic 326)" as of January 01, 2021 with an impact on the financial statements as presented in "NOTE D - ACCOUNTS RECEIVABLE".

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	As at		
	December 31, 2023	December 31, 2022	December 31, 2021
Balances with banks	348,882	272,049	203,887
Total	348,882	272,049	203,887

NOTE D - ACCOUNTS RECEIVABLE

Accounts receivable include the following:

	As at		
	December 31, 2023	December 31, 2022	December 31, 2021
Accounts receivable	9,730	16,218	4,418
Less: provision for doubtful debts	(1,150)	-	-
Accounts receivable, net of allowances	8,580	16,218	4,418

The activity in provision for doubtful debts is given below:

	As at		
	December 31, 2023	December 31, 2022	December 31, 2021
Balance at beginning of the year	-	-	-
Add: provision for doubtful debts	1,150	1,221	2,850
Less: reversal of provision for doubtful debts	-	(1,221)	(2,850)
Balance at the end of the year	1,150	-	-

NOTE E - OTHER CURRENT ASSETS

Other current assets comprise the following:

	As at		
	December 31, 2023	December 31, 2022	December 31, 2021
Advance payments	-	36,200	36,200
Total	-	36,200	36,200

NOTE F - OTHER CURRENT LIABILITIES

Other current liabilities comprise the following:

	As at		
	December 31, 2023	December 31, 2022	December 31, 2021
Advance from customers	3,033	11,931	-
Credit card payable	5,513	1,525	664
Accrued rent	550	550	825
Total	9,096	14,006	1,489

Live 2 B Healthy Senior Fitness, LLC

Financial Statements

December 31, 2023, December 31, 2022 and December 2021

NOTE G - REVENUE FROM CONTRACT WITH CUSTOMERS

The Company's contracts with customers are comprised of contracts for providing franchising services. These contracts with customers consist of royalty fees, marketing fees, franchisee fees and product and equipment sales.

The following table presents revenue disaggregated by source of revenue:

	For the years ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Royalties	237,865	230,315	181,752
Marketing fees	51,642	51,479	46,633
Franchise fees*	11,700	16,850	-
Product and equipment sales	23,689	31,477	28,048
Total	324,896	330,121	256,433

*The Company sold one, one and zero franchises for the years ended December 31, 2023, December 31, 2022 and December 31, 2021, respectively. The Company has fulfilled all its duties and obligations to the franchisees in relation to the initial franchise fees. Initial franchise fee revenue are as stated above.

The following table presents revenue disaggregated by timing of recognition:

	For the years ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Services transferred over a period of time	301,207	298,644	228,385
Products transferred at a point of time	23,689	31,477	28,048
Total	324,896	330,121	256,433

The following table presents revenue disaggregated based on geographical regions:

	For the years ended		
	December 31, 2023	December 31, 2022	December 31, 2021
United States of America	324,896	330,121	256,433
Total	324,896	330,121	256,433

NOTE H - RELATED PARTY TRANSACTIONS

Related parties with whom transactions have taken place during the year:

Members' of the Company:

Cory Czepa
Jacquiline Prescott
John Meyers
Richard Lee Shepley
Christina L. Pipin

Enterprise over which members' exercise significant influence:

Czepa Wellness
Live 2 B Healthy, Inc.

The summary of balances due from related parties are as follows:

	As at		
	December 31, 2023	December 31, 2022	December 31, 2021
Due from related parties:			
Czepa Wellness Co.	229	-	-
Total	229	-	-

Live 2 B Healthy Senior Fitness, LLC

Financial Statements

December 31, 2023, December 31, 2022 and December 2021

The summary of transactions with related parties are as follows:

	December 31, 2023	For the years ended December 31, 2022	December 31, 2021
Royalties:			
Czepa Wellness Co.	39,474	41,610	39,389
Total	39,474	41,610	39,389
Marketing fees:			
Czepa Wellness Co.	8,379	8,735	3,787
Total	8,379	8,735	3,787
Other revenue:			
Czepa Wellness Co.	1,009	782	996
Total	1,009	782	996
Management fees:			
Live 2 B Healthy, Inc.	84,000	84,000	84,000
Total	84,000	84,000	84,000
Withdrawals during the year:			
Cory Czepa	14,947	-	85,000
Jacquiline Prescott	-	-	2,500
John Meyers	1,967	-	2,500
Richard Lee Shepley	2,163	-	5,500
Christina L Pipin	590	-	1,500
Total	19,667	-	97,000

NOTE I - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents and accounts receivable. By their nature, all accounts receivable involve risk including the credit risk of non-performance by counter parties. In management's opinion, as of December 31, 2023, December 31, 2022 and December 31, 2021, there was no significant risk of loss in the event of non-performance of the counter parties to these accounts receivable. Furthermore, the Company believes it is not exposed to any significant risk on cash and cash equivalents.

Two customers having greater than 61% of accounts receivable and accounted for 17% of the total revenue for the year ended December 31, 2023. One customer having greater than 75% of accounts receivable and accounted for 5% of the total revenue for the year ended December 31, 2022. One customer having greater than 82% of accounts receivable and accounted for 9% of the total revenue for the year ended December 31, 2021.

NOTE J - SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statement were available to be issued. Based upon this review, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statement.

EXHIBIT C

Franchise Agreement



THE LIVE 2 B HEALTHY® SENIOR FITNESS
FRANCHISE AGREEMENT

BETWEEN

LIVE 2 B HEALTHY SENIOR FITNESS, LLC
3485 230th St. E.
Prior Lake, Minnesota 55372

and

Name of Franchisee

Street Address

City

State

ZIP

THE LIVE 2 B HEALTHY® SENIOR FITNESS
FRANCHISE AGREEMENT

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THE LIVE 2 B HEALTHY® SENIOR FITNESS
FRANCHISE AGREEMENT

This Franchise Agreement (this “Agreement”) is executed as of this ____ day of _____, 202__, between Live 2 B Healthy Senior Fitness, LLC, a Minnesota limited liability company with its principal place of business at 3485 230th St. E., Prior Lake, Minnesota 55372 (“we” or “us”) and _____, a(n) _____ whose principal business address is _____ (“franchisee” or “you”). If you are a corporation, company, partnership, or other legal entity, certain provisions in this Agreement also apply to your owners.

RECITALS:

A. We have developed a proprietary system to offer fitness training programs specially designed for Seniors to motivate them to participate in enjoyable, sociable fitness programs to help them increase strength, endurance, balance, coordination, flexibility, muscularity, stamina, and overall fitness, as well as emotional resilience and sociability. These programs are offered at senior living communities, senior citizen centers, community centers, and other similar facilities for Seniors. 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 programs.

B. Our founder Cory Czepa (“Mr. Czepa”) owns the Live 2 B Healthy® Senior Fitness and L2BH™ Senior Fitness trademarks and certain other trademarks, trade names, copyrights, service marks, trade dress, logos and commercial symbols used in connection with the operation of the Live 2 B Healthy® Senior Fitness programs. Mr. Czepa has granted to us a perpetual license giving us the right to sublicense the Live 2 B Healthy® Senior Fitness and L2BH™ Senior Fitness trademarks and certain other trademarks, trade names, copyrights, service marks, trade dress, logos and commercial symbols used in connection with the operation of the Live 2 B Healthy® Senior Fitness programs.

C. We grant franchises to qualified candidates who want to offer the Live 2 B Healthy® Senior Fitness programs at Senior Communities to residents and staff of the Senior Communities.

D. You have had an adequate opportunity to be thoroughly advised of the provisions of this Agreement and our disclosure document and have had sufficient time and opportunity to evaluate and investigate our system and the operating procedures and financial requirements associated with this system as well as the competitive fitness training programs in the marketplace.

E. You desire to obtain from us the right to offer the Live 2 B Healthy® Senior Fitness programs under the provisions of this Agreement and in compliance with our uniformity requirements and quality standards as established and updated by us from time to time.

AGREEMENTS:

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

1. DEFINITIONS: For purposes of this Agreement, the terms below have the following definitions:

A. “Initial Training Program” means, (i) in regards to your Sales and Operations Manager, the initial training we provide to your Sales and Operations Manager to educate, familiarize, and acquaint her or him with the Live 2 B Healthy® Senior Fitness programs, our System and the operation of a Live 2 B Healthy® Senior Fitness business; and (ii) in regards to your Training Coordinators, the initial training we provide to each Training Coordinator to educate, familiarize, and acquaint them with the Live 2 B Healthy® Senior Fitness programs and our System.

B. “Live 2 B Healthy® Senior Fitness programs” means our proprietary fitness training programs specially designed for Seniors to motivate them to participate in enjoyable, sociable fitness programs to help them increase strength, endurance, balance, coordination, flexibility, muscularity, stamina, and overall fitness, as well as emotional resilience and sociability, as such programs may be modified by us from time to time, and which are offered under the Trademarks.

C. “Manuals” means all documents that we provide you and in which we describe the System and our operational policies, protocols, standards, requirements and practices.

D. “Protected Territory(ies)” means the area(s) described in Exhibit A.

E. “Sales and Operations Manager” means the individual who has the authority to, and does in fact, actively direct your business affairs in regard to the operation and offering of the Live 2 B Healthy® Senior Fitness programs and who shall devote his or her full time and best efforts to overseeing the general management of the day-to-day operations of your Live 2 B Healthy® Senior Fitness business.

F. “Senior” means any individual who is at least 55 years old.

G. “Senior Communities” means senior living communities, senior citizen centers, community centers, and other similar facilities for Seniors.

H. “System” means our system, which consists of different methods, procedures, standards, specifications (all of which we may modify and change from time to time) developed by us to offer Live 2 B Healthy® Senior Fitness programs at Senior Communities.

I. “Trademarks” means the Live 2 B Healthy® Senior Fitness trademark and other trademarks, service marks, trade names, slogans, logos, emblems, trade-dress, designs, and other commercial symbols used in connection with the offering of the Live 2 B Healthy® Senior Fitness programs, as they may be modified and changed from time to time.

J. “Training Coordinator” means the individual(s) who will be primarily responsible providing training to and overseeing the trainers that will administer the Live 2 B Healthy® Senior Fitness programs at each Senior Community.

Other terms are defined elsewhere in this Agreement and shall have the meaning indicated throughout this Agreement.

2. GRANT OF FRANCHISE.

A. Grant of Franchise. Subject to the provisions stated below, we license to you a personal franchise to offer the Live 2 B Healthy® Senior Fitness programs at Senior Communities located within your Protected Territory(ies) using the Trademarks (your “Live 2 B Healthy® Senior Fitness business”). You may also offer these programs to seniors and staff members at churches, parks, and businesses. You accept the license and

undertake the obligation to operate your Live 2 B Healthy® Senior Fitness business using the System and in compliance with our standards.

B. Start of Operations. Unless otherwise agreed in writing by us, you shall start offering the Live 2 B Healthy® Senior Fitness programs to Senior Communities located within your first Protected Territory within 30 days after your Sales and Operations Manager has successfully completed the Initial Training Program. Your Sales and Operations Manager shall (i) start the Initial Training Program within 45 days from the date of this Agreement and (ii) successfully complete the Initial Training Program within 30 days after the date he or she starts taking it. If you purchase more than one Protected Territory, you must start operations in each subsequent Protected Territory according to the following schedule (as applicable to you): in your second Protected Territory within 6 months from the date of this Agreement, in your third Protected Territory within 12 months from the date of this Agreement, in your fourth Protected Territory within 18 months from the date of this Agreement, and in your fifth Protected Territory within 2 years from the date of this Agreement.

C. Protected Territory(ies). We and our affiliates will not offer or grant to anyone a franchise, license or other rights to offer the Live 2 B Healthy® Senior Fitness programs at Senior Communities located within your Protected Territory(ies) while this Agreement is in effect, except as provided in Sections 2.D and 2.E.

D. Reservation of Rights. 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 and offer, sell or distribute any products or services associated with the System (now or in the future) under the Trademarks or any other trademarks, service marks or trade names and through any distribution channel or method, without compensation to you. 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 Trademarks or any other trademarks, service marks or trade names. Furthermore, 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 Trademarks provided that such programs are not offered at Senior Communities.

E. Additional Reservation of Rights. We reserve all rights not expressly granted to you under this Agreement. The rights and privileges granted to you under this Agreement are personal in nature. You do not have the right to delegate, sub-franchise, or sublicense any of your rights under this Agreement. You have no right under this Agreement to sublicense or subfranchise others to (i) offer the Live 2 B Healthy® Senior Fitness programs, (ii) use the Trademarks or the System, or (iii) enter into any agreement regarding the Live 2 B Healthy® Senior Fitness programs, the Trademarks, or the System.

3. **PERSONNEL STANDARDS.** Your Live 2 B Healthy® Senior Fitness business must be operated by individuals who are knowledgeable of our System. The following provisions control regarding personnel:

A. Supervision. You must have a Sales and Operations Manager. The Training Coordinator(s) will provide training to and will oversee the trainers that will administer the Live 2 B Healthy® Senior Fitness programs. The Training Coordinators may also administer the Live 2 B Healthy® Senior Fitness programs. Your Sales and Operations Manager must be appointed within 30 days from the date of this Agreement. Your first Training Coordinator must be appointed at least 15 days before your Live 2 B Healthy® Senior Fitness business is obligated to provide the Live 2 B Healthy® Senior Fitness programs to the first Senior Community. Your Sales and Operations Manager and one of your Training Coordinators may be the same individual, but each Training Coordinator must not manage more than 30 trainers. Your Sales and Operations Manager and one of your Training Coordinators may be you if you are an individual or any person who meets our qualifications, including any of your equity holders, if you are an entity.

Your Sales and Operations Manager and each Training Coordinator must be approved by us in writing before being appointed by you. We may revoke our approval at any time, in which case (i) the disapproved Sales and Operations Manager or Training Coordinator, as applicable, may not be your Sales and Operations Manager or Training Coordinator and (ii) you must, with our prior written approval, appoint a new Sales and Operations Manager and/or Training Coordinator, as applicable, within 30 days from the date we revoke our approval for your prior Sales and Operations Manager and/or Training Coordinator, and your new Sales and Operations Manager and/or Training Coordinator must be fully trained and certified immediately.

Every Sales and Operations Manager and Training Coordinator must have at least some college level education and each must be a nationally certified personal trainer and First Aid and CPR certified. We may require additional qualifications. You must provide us the following information for each proposed and/or approved Sales and Operations Manager and Training Coordinator: name, home address, telephone number(s), e-mail address, certifications, and insurance carried. If any of this information changes at any time, you must notify us of the change no later than 30 days after the change.

Your Sales and Operations Manager must ensure that the Live 2 B Healthy® Senior Fitness business is operated in accordance with the terms and conditions of this Agreement and the System, although this in no way relieves you of your responsibilities to do so. Your Sales and Operations Manager also must be readily and continuously available to us. OUR APPROVAL OF YOUR SALES AND OPERATIONS MANAGER, YOUR TRAINING COORDINATORS, OR ANY OTHER INDIVIDUAL SHALL NOT CREATE ANY LIABILITY TO US. WE DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR ANY ACTIONS OR INACTIONS BY YOUR SALES AND OPERATIONS MANAGER, YOUR TRAINING COORDINATORS, OR ANY OTHER INDIVIDUAL RETAINED BY YOU.

B. Initial Training. You must, at your expense, comply with all of the training requirements we prescribe. We will provide to your Sales and Operations Manager and each Training Coordinator our Initial Training Program. We will provide the training virtually, at your home or office, in Prior Lake, Minnesota, or in Minneapolis/St. Paul, Minnesota, depending on the subject matter of the training and other factors. Your Sales and Operations Manager and each Training Coordinator must, at your sole cost, attend and complete our Initial Training Program to our satisfaction. The training requirements may vary depending on our assessment of the experience of the Sales and Operations Manager and each Training Coordinator and other factors specific to your Live 2 B Healthy® Senior Fitness business. Any new Sales and Operations Manager or Training Coordinator must, at your expense, comply with our training requirements at the earliest opportunity that such training is made available by us.

We do not charge a fee for providing the Initial Training Program to the first 3 participants, but you must cover all expenses incidental to attending the training, including travel, lodging, meals, and transportation. We will charge you \$1,000 per each additional person that receives the Initial Training Program or for anyone to repeat the program. However, after you have at least one Training Coordinator that has successfully 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 fee. Your Training Coordinator(s) will provide training to each trainer administering the Live 2 B Healthy® training programs. We must receive from you written verification that a Training Coordinator provided the Initial Training Program to any new Training Coordinator and to each trainer that does not complete the program with us.

C. Additional Training. We may require your Sales and Operations Manager and your Training Coordinator(s) to attend, at your expense, refresher or additional training at our facilities, on-line or by telephone, or other location or method 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 your Training Coordinators, at your expense, comply with the additional training requirements we prescribe. We will charge a fee of \$250 per day per person trained, plus the expenses incurred in providing such training, including travel, lodging and meals. We may modify the fee we charge for refresher or additional training periodically.

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 your Sales and Operations Manager or a Training Coordinator or if you lose your Sales and Operations Manager or a Training Coordinator, you must appoint, subject to our prior reasonable approval, a new individual to fill the position as soon as possible and that individual must complete, to our reasonable satisfaction, the required training as soon as possible; the new individual must start working no later than 30 days from the day the departed Sales and Operations Manager or Training Coordinator, as applicable, left.

D. Staffing. In addition to the Sales and Operations Manager and Training Coordinator, you shall contract qualified trainers and competent staff in such positions, in such numbers and pursuant to our criteria as we may require under the System or the Manuals from time to time. You shall also, at your own expense, conduct at your Live 2 B Healthy® Senior Fitness business such training and instruction, using such materials, equipment and supplies, as may be necessary or appropriate to keep your standards in compliance with the System. You must require all the members of your team to work in clean uniforms approved by us, but furnished at your cost or your team members' cost as you may determine. No member of your team will be deemed to be an employee of ours for any purpose.

E. Attendance at Meetings. Either you or your Sales and Operations Manager must attend, at your expense, all annual franchise conventions we may hold or sponsor and all meetings regarding new operational procedures or programs, training, management, sales or sales promotion, or similar topics. We reserve the right to require that you and/or your Sales and Operations Manager and/or Training Coordinator attend any additional meetings that we deem appropriate under special circumstances, provided that we will give you written notice of any such meeting at least 10 days before the meeting. We may charge you a fee to attend those meetings. As of the date of this Agreement, we require attendance at our annual conference and we charge a \$1,000 fee per person to attend our annual conference. You are also responsible for all other expenses incurred to attend these meetings.

F. Special Assistance. If you have some unusual or unique operating problems or if you have a specific situation in which you require assistance, including additional training, we may, but have no obligation to, provide you assistance to deal with the problem or situation you have. If we agree to provide you the assistance, we will charge you a \$250 per day for each individual sent to assist you. You must also reimburse us for all the expenses we incur, including travel, lodging and meals. We may change the fee we charge for additional assistance periodically.

4. **OPERATIONAL STANDARDS**. You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity. In addition to other provisions in this Agreement, the Manuals or other materials we may provide to you, you must observe the following provisions regarding products and operations:

A. Products and Services. Your Live 2 B Healthy® Senior Fitness business must offer the Live 2 B Healthy® Senior Fitness programs that are adequate for the residents of each Senior Community that contracts with you. We may modify the Live 2 B Healthy® Senior Fitness programs at any time and you must promptly take all actions necessary to comply with any such changes. We may also require you to offer other products and services that we consider appropriate, including staff fitness programs. You may not, without our prior written consent, offer or sell any other product or service at the Senior Communities provided, however, that you may continue offering all the products and services that you offered at the Senior Communities before the date of this Agreement.

B. Approved Supplies and Suppliers. You will conform to all quality and customer service standards required by us. You will acquire only such types, models or brands of equipment and supplies that we approve for Live 2 B Healthy® Senior Fitness businesses as meeting our standards, quality, design, warranties, appearance, function and performance. We may require you to acquire from us, our affiliates, or from a single source designated by us, products or services that have been specially prepared by us or at our direction, or that we consider integral to the System. Furthermore, we may require you to acquire certain equipment, supplies, services, or other products from suppliers who have been approved by us. We will provide you periodically lists of designated approved items and suppliers, but in the event you want to purchase an item that is not in those lists, you must confirm with us in writing that there are no designated or approved suppliers for such item before you purchase it.

For the items that we inform you in writing that we do not have a designated or an approved supplier for, you may acquire such item or supply from the vendor of your choice. All inventory, products, materials and other items and supplies used in the operation of your Live 2 B Healthy® Senior Fitness business that are not included in the designated or approved items and suppliers' lists must conform to the specifications and standards we establish from time to time. **ALTHOUGH APPROVED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, REGARDING PRODUCTS, EQUIPMENT, SUPPLIES, OR OTHER APPROVED ITEMS. ALSO, WE DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY US. OUR APPROVAL OR CONSENT TO ANY SERVICES, GOODS, SUPPLIES, OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM SHALL NOT CREATE ANY LIABILITY TO US.**

C. Operating Procedures. 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 we make available to you. If you violate any provisions of this Agreement or the Manuals, in addition to any other rights and remedies we may have, we may assess a non-compliance fee of up to \$1,000 per violation.

We may revise the Manuals and standards, procedures, techniques and management systems periodically to make changes we consider appropriate, and you expressly agree to comply with each new or changed requirement. The Manuals at all times are our sole property. 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. You must at all times insure that your copy of the Manuals are kept current and up to date, and in the event of any dispute as to the contents of said Manuals, the terms of the master copy of the Manuals that we maintain are controlling. The Manuals or parts of the Manuals may be converted to an electronic format accessible only on our website.

If you lose any of the Manuals, in addition to any liability you may have pursuant to any provisions in this Agreement, you shall be obligated to immediately notify us in writing what Manuals you have lost. We may

provide you replacement copies of the Manuals you lost. Furthermore, if upon the termination or expiration of this Agreement or if upon our request for the return of any Manual you are unable to return it to us, in addition to any other rights we may have.

D. Computer System. You must have (i) a computer system (and 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 and (ii) QuickBooks accessibility, all-in-one printer / scanner / copier / fax machine, and high-speed internet connectivity (the “Computer System”). Also, you will install and operate the Required Software (as defined below) in your Computer System. You must update your Computer System and the Required Software as we require you. You acknowledge and agree that we will have full and complete access to information and data entered and produced by the Computer System.

You will gather from your customers all lawful information required by us (subject to any approval or consents required by law), and you will enter this information into our central computer database as requested by us but at least once a month. All of the information that you enter into our central computer database will become our sole and exclusive property, and we may use it as we deem necessary or appropriate. We may make available to you information gathered in our central computer database and you will have the right to use this information in the form we prescribe in connection with the operation of your Live 2 B Healthy® Senior Fitness business. You shall be solely responsible for, and you agree to indemnify and hold us harmless from, any liability arising out of or related to your use of such information. You will not enter any employment information regarding your employees and we will have no access to such information.

E. Signage. The materials used in the operation of your Live 2 B Healthy® Senior Fitness business must identify you as our franchisee and include an acknowledgment that you independently own and operate your Live 2 B Healthy® Senior Fitness business and that all the Trademarks are licensed from us. In addition, you must prominently display signs in such form, color, number, location, design and size as we may approve, and containing such Trademarks as we may designate. You must make such changes to the signage as we require at any time that we decide to change our trademarks, logos, or trade names. You must display, in the places and manner we may determine from time to time, signs that we offer franchising opportunities.

F. Evaluations. We and or our authorized representatives (which include third parties hired by us) have the right to (i) contact Senior Communities in your 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. We may, from time to time, make suggestions or 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.

G. Confidential Information. You and your owners, guarantors, officers, directors, managers, employees, contractors or agents, or any other individual or entity related to, or controlled by you, may not, during the term of this Agreement or at any time after the expiration or termination of this Agreement, disclose, copy, reproduce, sell or use in any other business or in any manner not specifically authorized or approved in advance in writing by us any Confidential Information. For purposes of this Agreement, “Confidential Information” means the whole or any portion of know-how, knowledge, methods, protocols, specifications, processes, procedures and/or improvements regarding the business that is valuable and secret in the sense that it is not generally known to our competitors and any proprietary information contained in

the Manuals or otherwise communicated to you in writing, verbally, through the internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of your Live 2 B Healthy® Senior Fitness business. You are authorized to disclose Confidential Information to governmental agencies and/or authorities, but only to the extent strictly required by law. You must obtain Confidentiality and Non-Compete Agreements in the form attached as Exhibit B 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 you must provide executed copies of these agreements to us upon request. You must also obtain Confidentiality Agreements in the form attached as Exhibit C from all your other employees, contractors, agents and representatives who utilize or may have access to any Confidential Information and you must provide executed copies of these agreements to us upon request. You shall be solely responsible for protecting our Confidential Information with all the individuals and entities listed in this Section 4.G, and for obtaining all necessary Confidentiality Agreements from each of them, and you shall be liable for any breach of confidentiality obligations by these individuals or entities.

All your customer lists generated or utilized by you in your Live 2 B Healthy® Senior Fitness business are our sole property and Confidential Information. We grant you the right to use such customer lists for the duration of this Agreement. Upon the termination or cancellation of this Agreement, you shall be required to return to us all customer lists.

H. Participation in Internet Websites or Other Online Communications. We have the Live 2 B Healthy® Senior Fitness website on the internet at www.live2bhealthy.com. We also have the websites franchise.live2bhealthy.com and trainers.live2bhealthy.com. You must, at your expense, participate in our internet websites, our intranet, and any other online or electronic communications that we develop and require our franchisees to participate in and you must execute any documents that we require for your participation. We have the right to determine the content and use of our websites and intranet system and may establish the rules under which franchisees may or must participate.

We will provide you website and technical support services. As of the date of this Agreement, we are providing the services listed below in this paragraph. 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, including research and monthly updates to “for families only” resource section. We will provide you 1 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 from all over the country or for specific age groups. 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.

You may also have your own website for your Live 2 B Healthy® Senior Fitness business, but you may not separately register any domain name containing any part of the Trademarks. We may require you to utilize in your website design certain templates that we may develop. You must submit for our written prior approval the content of your website. If, at some date after you have received our approval for your website, you wish to materially change or alter the content of your website, you must submit the changes or alterations to us for our prior written approval at least 10 days before you plan to start using the changes or alterations. If we have not accepted, rejected, or requested further modifications of the changes or alterations within 10 days from the date we receive them from you, then your changes or alterations shall be deemed accepted. The website for your Live 2 B Healthy® Senior Fitness business, including any email addresses, shall automatically terminate and revert to us at the time this Agreement is terminated.

We will retain all rights relating to our websites, intranet system and your website and may alter them at any time. You release and agree to hold us, our officers and directors, harmless from and against all claims, liability, damages, or causes of action of any nature, arising from, or in connection with, the creation, operation, or maintenance of our websites, intranet, and the website for your Live 2 B Healthy® Senior Fitness business, unless such liability arises out of our gross negligence or intentional acts.

I. Photographs. We will have the right to photograph and videotape Live 2 B Healthy® Senior Fitness program sessions and the participants in those sessions. Subject to any applicable legal restrictions, we will have the right to use all photographs and videotapes of Live 2 B Healthy® Senior Fitness program sessions for the purposes that we deem appropriate including, but not limited to, use in training, advertising, marketing and promotional materials, and as evidence in any court or legal proceeding. Neither you nor any member of your team will have any right to be compensated by us, our advertising agencies, or other franchisees for any use of such photographs or videotapes. We will not make or use videos or photographs of individuals without their prior consent.

J. Compliance with Law. You must at all times conduct your Live 2 B Healthy® Senior Fitness business operations in compliance with all applicable laws, regulations, codes and ordinances. You must secure and maintain in force all required licenses, permits and certificates relating to your Live 2 B Healthy® Senior Fitness business. You acknowledge that you are an independent business and responsible for control and management of your Live 2 B Healthy® Senior Fitness business. You acknowledge that we have no power, responsibility or liability in respect to the hiring, discharging, setting and paying of wages or related matters. You must immediately notify us in writing of any claim, litigation or proceeding that arises from or affects the operation or financial condition of your Live 2 B Healthy® Senior Fitness business.

K. Payment of Debts. You agree to pay promptly when due: (i) all payments, obligations, assessments and taxes due and payable to us and our affiliates, vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with your business; and (ii) all accounts and other indebtedness of every kind incurred by you in the conduct of your Live 2 B Healthy® Senior Fitness business. If you default in making any of these payments, we are authorized, but not required, to pay the same on your behalf and you agree promptly to reimburse us on demand for any such payment.

L. System Modifications. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement, the Manuals or otherwise to adapt the System to changing conditions competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate. You must comply with these modifications, additions or rescissions at your expense.

5. TERM; RENEWAL RIGHTS. The initial term of this Agreement is for 10 years commencing on the date of this Agreement, unless terminated earlier as provided in this Agreement. You have the right to renew the franchise under this Agreement for additional 10-year terms, provided you meet all of the following conditions: (i) you give us written notice at least 90 days, but no more than 180 days before the end of the then-current term of your desire to renew; (ii) you are in full compliance with this Agreement and all other 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; (iii) you comply with our then-current training requirements; (iv) you and your owners execute and deliver to us a general release of claims in a form similar to that attached as Exhibit D; (v) you sign our then-current form of franchise agreement (modified to reflect that the agreement relates to a renewal), the terms of which may be materially different from this Agreement, including higher and/or additional fees (but your Protected Territory(ies) will remain unchanged); and (vi) 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. If the then current form of

franchise agreement provides for a period in which no Royalties will be charged, you must pay Royalties during that period in amounts equal to the Royalties you were paying prior to the renewal.

6. FRANCHISE FEES; FINANCIAL INFORMATION; AUDITS.

A. Initial Franchise Fee. On the date of the signing of this Agreement you shall pay us a nonrefundable initial franchise fee in the following amounts (the “Initial Franchise Fee”): (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. The Initial Franchise Fee has been fully earned upon receipt and is nonrefundable in consideration of the expenses incurred by us in granting this franchise and for the lost or deferred opportunity to franchise to others.

B. Royalty. During the initial term of this Agreement you will pay to us monthly royalty fees (the “Royalty”) in the amount of \$500 per month for each Protected Territory or 7% of your gross revenue for the month, whichever is greater. “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.

We will collect the Royalty on the 15th day of each month. You shall start paying the Royalty for your first Protected Territory on the 15th day of the second month of the date of this Agreement. 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.

C. MAP Fee. During the initial term of this Agreement we will collect from you a monthly marketing, advertising and promotion fee (the “MAP Fee”). The MAP Fee as of the date of this Agreement is \$500 per month for each Protected Territory in your Agreement or 2% of your gross revenue, whichever is greater. We may increase the MAP Fee at any time by providing you 30-day prior written notice, but during the initial term of this Agreement the MAP Fee will not be more than the greater of \$525 per month for each Protected Territory in your Agreement or 4% of your gross revenue. We will collect the MAP Fee on the 15th day of each month. You shall start paying the MAP Fee for your first Protected Territory on the 15th day of the first month of the date of this Agreement. 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.

D. Technology Fees. Before you begin operating your business you must sublicense from us the web-based business management software that we designate (the “Management Software”). You will pay us a \$500 setup fee for your Management Software account for each Protected Territory in your 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.

We will also 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 Agreement. 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 will collect the Technology Fee on the 15th day of each month. You will start paying the Technology Fee for your first Protected Territory on the month after you set up your Management Software account. If you purchase more than one Protected Territory, you will start paying 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.

E. Computations; Payments. 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 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 acquire and maintain QuickBooks software. You will provide us access to your records via QuickBooks. We require this access to allow us to audit your books at our discretion to confirm amounts owed for Royalties and MAP Fees.

You must sign an electronic transfer of funds authorization in the form attached as Exhibit E, 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 15th 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, Technology Fees and other amounts owed to us for the preceding month. You must maintain a balance in your account sufficient to allow us to collect the amounts owed when due. You are responsible for any penalties, fines or other expenses associated with the transfer of funds described in this Section 6.E. 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.

F. Unpaid Amounts. Any unpaid amounts owed by you to us, including Royalties, MAP Fees and Technology Fees, will bear interest at the rate of 18% per year or the maximum rate permitted by applicable law, whichever is lower. You must reimburse us for all costs and expenses incurred in the collection of unpaid amounts, including attorneys’ fees.

G. Financial Statements; Audit Rights. You must, at your own expense, provide us within 90 days after the end of each calendar year a detailed balance sheet, profit and loss statement and statement of cash flows for such calendar year. You shall also furnish us with copies of all of your income tax returns and sales tax returns within 90 days from the end of each fiscal year. You must certify all reports to be true and correct.

In addition, we and our authorized representatives have the right at all times during the business day to enter the premises where your books and records are kept and to evaluate, copy and audit such books and records. If the audit is conducted because you fail to provide us any of the financial information required above or if the audit reveals any understatement of your gross revenues or Royalties or a variance of 5% or more from

data reported to us, you must pay for the audit (including reasonable charges for the time we spend investigating and correcting the missing or erroneous information), any other related costs that we may incur (including reasonable auditors' and attorneys' fees) and, in addition to any other rights we may have, we have the right to conduct further periodic audits of your books and records as we reasonably deem necessary for up to 3 years and any further audits will be at your sole expense, including professional fees, travel, and room and board expenses directly related to the audits or evaluations. Furthermore, regardless of the amount of variance discovered in any evaluation or audit, you shall also pay to us the amount of all underreporting within the prior 3-year period (or from the date you joined our System if less than 3 years).

H. Use of Your Information. In addition to any other rights granted in this Agreement to us, we have the right to use any data we receive or obtain from you to provide information to prospective franchisees, including the right to group your information with similar information from other Live 2 B Healthy® Senior Fitness operators to produce shared results like high-low ranges or average gross sales or expenses on a system-wide or regional basis, provided that whenever we exercise our right under this Section 6.H, we will not exercise such right in violation of third parties' rights under applicable privacy laws.

7. **TRADEMARKS AND COPYRIGHTS.** You acknowledge and agree that your right to use the Trademarks is specifically conditioned upon your compliance with the terms and conditions of this Agreement, including the following:

A. Trademark Use. Subject to the terms and conditions set forth in this Agreement, we grant you, during the term of this Agreement, a non-exclusive right and license to use the Trademarks, but solely in connection with the marketing, advertising and promotion of your Live 2 B Healthy® Senior Fitness business in the Protected Territory(ies), provided that you use the Trademarks only in the manner required, directed and approved by us in writing. You may not use, or permit the use of, any trademarks, trade names, service marks, logos, designs or commercial symbols in connection with your Live 2 B Healthy® Senior Fitness business other than the Trademarks, except as we otherwise direct in writing. Your right to use and identify with the Trademarks and the System exists concurrently with the term of this Agreement and only while you are in complete compliance with our quality standards. You will not have or acquire any rights in any of the Trademarks or the System other than the right of use as governed by this Agreement. If, in our judgment, your conduct infringes upon or demeans the goodwill, standards of uniformity or quality, or business standing associated with the Trademarks or the System, you will immediately, upon written notice from us, modify your use of the Trademarks and the System in the manner required by us in writing. You will not, during or after the term of this Agreement, do anything directly or indirectly which would infringe upon, harm, or contest Mr. Czepa's or our rights in the Trademarks or the System or the goodwill associated with them.

B. Trademark Ownership. The Trademarks are Mr. Czepa's valuable property, and he is the owner of all right, title and interest in and to the Trademarks. You agree that, if requested by us, you will execute a recordable assignment and other documents prepared by us or Mr. Czepa for securing and maintaining such intellectual property rights and vesting title in Mr. Czepa. You have no right to register or protect any such improvements in your name or in the name of any of your affiliates. Your use of the Trademarks will inure to Mr. Czepa's and to our benefit. You may not, during or after the term of this Agreement, engage in any conduct that would infringe upon, harm or contest Mr. Czepa's or our rights in any of the Trademarks or the goodwill associated with the Trademarks, including any use of the Trademarks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media.

C. Trademark Identification. You will operate your Live 2 B Healthy® Senior Fitness business so that it is clearly identified as a member of our network. However, you may not use any of the words in any of the Trademarks as part of the name of your entity. All the products and services that you offer as part of your Live 2 B Healthy® Senior Fitness business must clearly state that they are part of our programs. The style, form

and use of the words in our Trademarks in any written materials, products or supplies must have our prior written approval. You may use the name “Live 2 B Healthy® Senior Fitness” and any other Trademarks which now or in the future may form part of the System on all signs, business cards, marketing materials and other articles in the identical combination and manner as we may make available or prescribe in writing. You will comply with all trademark, trade name, service mark and copyright notice marking requirements. You must include a statement on these materials indicating that your Live 2 B Healthy® Senior Fitness business is independently owned and operated by you.

D. Trademark Substitutions. We reserve the right to change the Trademarks at any time. If it becomes advisable at any time, in our discretion, to modify or discontinue use of any Trademark, and/or use one or more additional or substitute trade names, trademarks, service marks, logotypes or other commercial symbols, either system-wide or regarding a particular franchisee, you shall, at your expense, comply with our directions within a reasonable time after notice to you, and we shall have no liability or obligation regarding your modification or discontinuance of any Trademark. You will not make any changes or amendments in or to the use of the Trademarks or the System unless directed by us in writing.

E. Trademark Litigation. If any person or entity improperly uses or infringes the Trademarks or challenges your use or our use or Mr. Czepa’s ownership of the Trademarks, we will have the right to control all litigation and to determine whether suit will be instituted, prosecuted or settled, the terms of the settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware or any challenge or claim arising out of your use of any Trademark. You must take reasonable steps, without compensation, to assist us with any action we undertake.

F. Copyrighted Materials. You acknowledge and agree that we may authorize you to use certain copyrighted or copyrightable works (the “Copyrighted Materials”), including the Manuals. The Copyrighted Materials are our valuable property. Your rights to use the Copyrighted Materials are granted to you solely on the condition that you comply with the terms of this Agreement. Your use of the Copyrighted Materials does not vest you with any interest other than the temporary, non-exclusive license to use the Copyrighted Materials granted in this Agreement. All rights that inure as a result of the use of the Copyrighted Materials belong solely to us.

G. Protection. You shall execute any documents that we or our counsel deem necessary for the protection of the Copyrighted Materials or the Trademarks or to maintain their validity or enforceability, or to aid us or Mr. Czepa in acquiring rights in or in registering any of the Trademarks or any trademarks, copyrights, trade names, service marks, trade dress, slogans, logos or emblems that we subsequently adopt.

8. **MARKETING.** You agree to actively promote your Live 2 B Healthy® Senior Fitness business, to abide by all of our advertising requirements, and to comply with the following provisions:

A. Marketing Fund. You shall pay us the MAP Fee as set forth in Section 6.C. All MAP Fees will be placed in a Marketing Fund that we own and manage. The Marketing Fund is not a trust or escrow account, and we have no fiduciary obligation to franchisees. We have the right to determine the expenditures of the amounts collected and the methods of marketing, advertising, media employed and contents, terms and conditions of marketing campaigns and promotional programs. We are not required to spend a prorated amount on each Live 2 B Healthy® Senior Fitness business or in each advertising market. We have the right to make disbursements from the Marketing Fund for expenses incurred in connection with the cost to formulate, develop and implement marketing, advertising and promotional campaigns. The disbursements may include payments to 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. If at the end of our fiscal year we have not spent all the

MAP Fees collected, we will carry forward any balances. If requested, we will provide you an annual unaudited statement of the financial condition of the Marketing Fund.

B. Required Local Expenditures; Approved Materials. You must use your best efforts to promote and advertise your Live 2 B Healthy® Senior Fitness business and participate in any local marketing and promotional programs we establish from time to time. In addition to the MAP Fee you will be required to spend every calendar year at least \$500 for each Protected Territory in your Agreement or 1% of your gross revenues, whichever is greater, on approved local marketing and promotion. Upon our request you must provide us with itemization and proof of marketing and an accounting of the monies that you spend on approved local marketing. You must use only the marketing materials that we furnish, approve or make available, and the materials must be used only in a manner that we approve. Furthermore, any promotional activities you conduct in Live 2 B Healthy® Senior Fitness business are subject to our approval.

C. Advertising Cooperatives. We have the right to designate local advertising markets, and if designated you must direct your local advertising expenditures to the cooperative advertising and marketing programs in your designated local advertising market. Each Live 2 B Healthy® Senior Fitness franchisee within a designated local advertising area is a member of the local advertising group and has one 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.

D. Ownership of Advertising. All materials and rights resulting from your advertising and marketing that are related to your Live 2 B Healthy® Senior Fitness business or the Live 2 B Healthy® Senior Fitness program shall become our sole and exclusive property. You agree that if requested by us, you will execute a recordable assignment and other proper documents prepared by us for securing and maintaining any such rights of ownership, including copyrights, and for vesting title in us.

9. INDEMNIFICATION; INSURANCE.

A. Indemnification. We and you are independent contractors. Neither we nor you will make any agreements, representations or warranties in the name of or on behalf of the other, or indicate that our relationship is other than that of franchisor and franchisee. Neither we nor you will be obligated by or have any liability under any agreements, representations or warranties made by the other, and we will not be obligated for any damages, losses, costs or expenses to any person or property directly or indirectly resulting from or arising out of the development or operation of your business, whether caused by your negligent or willful action or failure to act. You alone will be responsible for any claim, action, loss, damage, liability, injury or death arising out of, or relating to (i) the operation of your Live 2 B Healthy® Senior Fitness business, (ii) your acts or omissions, or (iii) the acts or omissions of any of your agents, employees or contractors. You waive all claims against us arising out of the operation of your Live 2 B Healthy® Senior Fitness business. You assume sole and complete responsibility for and will defend at your own cost and indemnify, reimburse and hold us harmless from and against all losses, costs, expenses (including attorneys' fees, litigation expenses, investigation expenses, and court costs), obligations, damages and liabilities directly or indirectly resulting from or arising out of your Live 2 B Healthy® Senior Fitness business. We, using our own counsel, at your sole cost, may control any matter in which we are named or directly affected. Your indemnification of us and your assumption of liabilities and obligations under this Agreement will continue in full force and effect after the expiration or termination of this Agreement.

B. Insurance. You must purchase and maintain in full force and effect, at your expense and from a company we accept, insurance that insures you and us, our affiliates and any other persons we designate by name. 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. The required insurance coverage must begin within 60 days from the date of this 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.

You must deliver to us at the beginning and annually or at our request a proper certificate evidencing the existence of insurance coverage in compliance with this Section 9.B. The insurance certificate must provide that we will be given 30 days' prior written notice of material change in or termination or cancellation of the policy. We also may request copies of all policies.

If you do not procure and maintain the insurance coverage required by this Agreement, we have the right, but not the obligation, to procure insurance coverage and to charge the same to you, together with a reasonable fee for the expenses we incur in doing so, payable by you immediately upon notice. Maintenance of the insurance requirement will not relieve you of the obligations of indemnification. You understand and agree that the coverages required by us represent our minimum requirements only, and may not be sufficient to adequately protect your interests. In addition, the coverages may not comply with the terms of other documents to which you are a party or with the insurance requirements in your jurisdiction. You are encouraged to conduct your own evaluation of your minimum insurance requirements to ensure that your interests are adequately protected. You assume all risks in connection with the adequacy of any insurance or self-insurance program and waive any claim against us for any liability costs or expenses arising out of any uninsured claim, in full or in part, of any nature.

We may from time to time modify the required minimum limits and require additional insurance coverages, 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, and you shall immediately procure the amended coverage and promptly forward to us amended Certificates of Insurance evidencing compliance with the required changes.

10. **NON-COMPETE COVENANTS.** You agree that you will receive valuable training and Confidential Information that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You agree to the following provisions.

A. **During Term.** 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, and managers who utilize or may have access to any Confidential Information will not, directly or indirectly, during the term of this Agreement, on your or their own account or as an employee, consultant, partner, officer, director, shareholder, member, lender, or joint venturer of any other person, firm, entity, partnership, corporation or company: own, operate, lease, franchise, engage in, be connected with, have any interest in, or assist any person or entity 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.

B. **After Termination.** 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, and managers who utilize or may have access to any Confidential Information will not, directly or indirectly, for a period of 2 years after the transfer by you, or the expiration or termination of this Agreement, on your or their own account or as an employee, consultant, partner, officer, director, shareholder, lender, or joint venturer of any other person, firm, entity, partnership, corporation or company: own, operate, lease,

franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any health fitness business offered or available to Seniors that 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.

Without limiting the obligations in this Section 10, you must obtain Confidentiality and Non-Compete Agreements in the form attached as Exhibit B from all the persons and entities mentioned in this Section 10 and you must deliver such agreements within 3 days from the date we require them.

You agree that the length of time set forth in this Section 10 will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement. You agree that the time period and the scope of the covenants set forth in this Section 10 are the reasonable and necessary time and distance needed to protect us if this Agreement expires or is terminated for any reason.

If you or any of the persons or entities listed in this Section 10 violate any of the provisions in this Section 10, you and the person or entity who violates the provisions of this Section 10 shall pay us as fair and reasonable liquidated damages (but not as a penalty) \$50,000 for each violation. You and any person or entity who violates the provisions of this Section 10 agree that this amount is for the damages that we will suffer for the violations to the covenants in this Section 10 and that it would be difficult to calculate with certainty the amount of damages that we will incur. Notwithstanding the foregoing, if a court determines that this liquidated damages payment is unenforceable, then we may pursue all other available remedies, including consequential damages.

Notwithstanding anything in this Section 10, it is expressly agreed that you may, at all times, offer those products and services that you were offering before the date of this Agreement. Furthermore, it is expressly agreed that all the persons or entities mentioned in this Section 10 may engage, in any capacity, in any other Live 2 B Healthy® Senior Fitness businesses using the Trademarks under a license from us.

11. TRANSFERS.

A. Conditions to Your Transfer or Assignment. We have entered into this Agreement with specific reliance upon your financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of Live 2 B Healthy® Senior Fitness business. This Agreement, and your rights and obligations under it are and shall remain personal to you. As used in Section 11, the term “Transfer” shall mean 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 this 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 shall include the cumulative effects of any transfers within a 12-month period). You and your owners will not directly or indirectly make a Transfer without our prior written consent. Unless otherwise provided in this Agreement, we will not unreasonably withhold our consent to a Transfer if the following conditions are satisfied: (a) the transferee must meet all of our then-current requirements for any potential new franchisee at the time of the proposed Transfer; (b) you are in full compliance with all your obligations under all franchise agreements and all other agreements executed between you and us or our affiliates, and all your debts and financial obligations to us and our affiliates and to third parties are current; (c) 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 this Agreement; (d) 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 this Agreement and other modifications to reflect that the agreement relates to a Transfer), the terms of which may differ from this Agreement (including different Royalties and different payments and contributions); (e) before the date of the proposed Transfer, the proposed transferee's Sales and Operations Manager and the Training Coordinators successfully complete the training and instruction as we deem necessary; (f) you and all holders of an interest in you execute a general release in a form similar to that attached as Exhibit D; (g) 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 (h) you comply with any other conditions that we reasonably require from time to time as part of our Transfer policies.

You will not Transfer your interest in this Agreement to any person, partnership, corporation or entity that owns, operates, franchises, develops, consults with, manages, is involved in, controls, or is controlled by any person with an interest in any competing business or if the Transfer will cause the provisions in Section 10.A to be violated. Any attempted Transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void, your interest in this Agreement will be voluntarily abandoned and it will provide us with the right to terminate this Agreement immediately. You acknowledge and agree that the restrictions imposed on the Transfer are reasonable and necessary to protect the goodwill associated with the System and the Trademarks, as well as our reputation and image, and are for the protection of us, you, and all other franchisees.

B. Transfer by Us. We may transfer or assign this Agreement or any or all of the rights, interests, benefits or obligations arising under it without restriction. Upon any transfer or assignment of this Agreement by us, we shall be released from all obligations and liabilities arising or accruing in connection with this Agreement after the date of such transfer or assignment.

12. **DEFAULT; TERMINATION.** The following provisions apply regarding default and termination:

A. Termination by Us with Notice to Cure. You shall be in default for any failure to maintain or comply with any of the terms, covenants, specifications, standards, procedures or requirements imposed by this Agreement or in any Manual, policy or procedure statement or other written document provided by us. Except as provided in Section 12.B, we will give you 30 days written notice of your default and of our intent to terminate this Agreement. If the defaults specified in the notice are not cured within the 30 day period, this Agreement shall automatically terminate upon the expiration of the 30 day period without further notice.

B. Termination by Us with No Opportunity to Cure. You shall be in default and we may, at our option, terminate this Agreement without giving you an opportunity to cure the default, effective immediately on our issuance of written notice of termination, upon the occurrence of any of the following events: (i) any material misrepresentation or omission in your franchise application; (ii) you cease to operate your Live 2 B Healthy® Senior Fitness business for 20 consecutive business days or otherwise voluntarily abandon this Agreement; (iii) any unauthorized use of Confidential Information; (iv) any violation to the obligations not to compete; (v) insolvency of you, any of your owners or a guarantor; (vi) you, any of your owners or a guarantor making an assignment or entering into any similar arrangement for the benefit of creditors; (vii) any portion of your business regarding the subject matter of this Agreement becomes subject to an attachment, garnishment, levy or seizure by any creditor; (viii) any default under this Agreement that materially impairs the goodwill associated with any of the Trademarks; (ix) 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; (x) you fail, refuse or neglect to pay Royalties, MAP Fees, Technology Fees or any other amounts owed to us within 5 days after they become due; (xi) you understate or underreport gross revenues or Royalties; (xii) any unauthorized transfer or assignment in violation of Section 11.A; (xiii) 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 (xiv) 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).

You acknowledge and agree that a breach or violation of any term, covenant, condition, warranty, representation or other obligation by you under this Agreement (other than a breach or violation that may be cured under Section 12.A and that is in fact cured within 30 days after notice) will constitute a material breach and default under this Agreement. Any breach or violation that may be cured under Section 12.A. that is not cured within the 30 day period shall also constitute a material breach and default under this Agreement.

C. Termination by You. You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement provided that: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to cure the breach within 30 days after our receipt of the written notice. Your termination of this Agreement under this Section 12.C will not release or modify your Post-Term obligations under Section 13 below.

13. **POST-TERM OBLIGATIONS.** Upon the expiration or termination of this Agreement:

A. Obligations upon Termination. You shall immediately cease to operate your Live 2 B Healthy® Senior Fitness business, and shall not, directly or indirectly, hold yourself out as a Live 2 B Healthy® Senior Fitness franchisee regarding such business. You shall immediately and permanently cease to use, in any manner, all Confidential Information (including Manuals, methods, procedures and techniques used by or associated with the System), the Trademarks and the distinctive forms, trade dress, slogans, signs, symbols, logos and devices associated with the System, and all or any portion of advertising or marketing materials furnished or approved by us. You shall immediately return to us all Manuals and any other property held or used by you that is owned by us, and you shall cease to use, and shall, 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 under Section 10.B. 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 shall immediately pay all sums owed to us (including minimum Royalties and MAP Fees and Technology Fees for the remainder of the entire term of this Agreement from the date of termination, unless you terminate this Agreement due to our breach and pursuant to the provisions of Section 12.C), our affiliates or designees and all sums you owe to third parties, and such sums shall include all damages, losses, costs and expenses (including attorneys' fees) incurred by us as a result of your default and the termination of this Agreement. You must continue to comply with the confidentiality provisions of Section 4.G. You shall pay to us all damages, losses, costs and expenses, including attorneys' fees, incurred by us subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any term, covenant or provision of this Agreement.

Notwithstanding anything to the contrary, in the event of expiration or termination of this Agreement, you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us or our affiliates that expressly or by their nature survive the expiration or termination of this Agreement.

B. Attorney in Fact; Expenses. We may, if you fail or refuse to do so, execute in your name and on your behalf, any actions and/or documents that may be necessary to effect your obligations under this Section 13, and you irrevocably appoint us as your attorney in fact to do so, which appointment is coupled with an interest. You shall pay to us all damages, costs and expenses, including reasonable attorneys' fees, incurred by us subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any term, covenant or provision of this Agreement.

14. **DISPUTE RESOLUTION.** The following provisions apply regarding dispute resolution:

A. Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Section 14.B of this Agreement, the parties' rights under this Agreement and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of (i) the state where the Protected Territory(ies) is (are) located or (ii) if the Protected Territory(ies) include(s) areas in more than one state, the state that has the largest area in the Protected Territory(ies). You waive, to the fullest extent permitted by law, the rights and protections that might be provided through the laws of any state relating to franchises or business opportunities, other than those of the state which laws govern according to the prior sentence in this Section 14.A.

B. Arbitration; Mediation. Except as qualified below, any dispute between you, your affiliates, owners or guarantors and us or our affiliates, arising under, out of, in connection with or in relation to this Agreement, your Live 2 B Healthy® Senior Fitness business, or the parties' relationship must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be arbitrated in accordance with the then-current rules and procedures and under the auspices of the American Arbitration Association. The arbitration will take place in Minneapolis, Minnesota. The decision of the arbitrators will be final and binding on all parties to the dispute, provided, however, that the arbitrators may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award which extends, modifies or suspends any lawful provision in this Agreement or any reasonable standard of business performance that we set. A judgment may be entered upon the arbitration award by any state or federal court in Minnesota or the state(s) where the Protected Territory(ies) is (are) located.

Before the filing of any arbitration, the parties agree to mediate any dispute that does not include injunctive relief or specific performance actions under Section 14.C, provided that the party seeking mediation must notify the other party of its intent to mediate prior to the termination of this Agreement. Mediation will be conducted by a mediator or mediation program agreed to by the parties. The mediation will take place in Minneapolis, Minnesota. Persons authorized to settle the dispute must attend all mediation sessions. The parties shall participate in the mediation process in good faith with the intention of resolving the dispute if at all possible within 60 days of the notice from the party seeking to initiate the mediation procedures. If not resolved within 60 days, the parties are free to pursue arbitration. Mediation is a compromise negotiation for purposes of the federal and state rules of evidence and the entire process is confidential.

C. Injunctive Relief; Exemptions to Arbitration. You recognize that your failure to fulfill your obligations under this Agreement may cause irreparable damages to us or other franchisees. Therefore, notwithstanding Section 14.B above, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will be entitled to an injunction restraining such breach or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. The foregoing equitable remedies are in addition to, and not in lieu of, other remedies or rights that the parties might otherwise have upon any breach of this Agreement by the other party. Furthermore, we have the right to begin a civil action against you or take other appropriate action for the following reasons: to collect sums of money due to us; to compel your compliance with trademark standards and requirements to protect the goodwill of the Trademarks; to compel you to compile and submit required reports to us; or to permit evaluations or audits authorized by this Agreement.

D. Venue. Any cause of action, claim, suit or demand allegedly arising from or related to this Agreement or the relationship of the parties that is not subject to arbitration under Section 14.B must be brought exclusively in the Federal District Court for the District of Minnesota or in the State courts located in Minneapolis, Minnesota. The parties irrevocably submit themselves to, and consent to, the exclusive jurisdiction of said courts.

E. Claims. You (and your officers, directors, owners and guarantors) may not assert any claim or cause of action against us or our affiliates relating to this Agreement or your Live 2 B Healthy® Senior Fitness business after the shorter period of the applicable statute of limitations or one year following the expiration or termination of this Agreement, provided that where the one-year limitation of time is invalid by applicable law, no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

F. Jury Waiver. All parties irrevocably waive jury trial in any action or proceeding in law or in equity.

G. Waiver of Punitive Damages. You, your officers, directors, owners and guarantors and your affiliates and us and our affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.

H. Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, or in relation to this Agreement will be entitled to recover its reasonable attorneys' fees and costs.

15. MISCELLANEOUS. The parties agree to the following provisions:

A. Adaptations and Variances. You acknowledge and agree that because complete and detailed uniformity under varying circumstances may not be practical, there may be variations from standard specifications and practices among Live 2 B Healthy® Senior Fitness businesses and that you shall not be entitled to require us to grant like or similar variations or privileges to you. You also understand and agree that different franchise agreements may have different provisions, including different fees.

B. Interpretation of Rights and Obligations. Whenever this Agreement provides that we have a right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by this Agreement. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally, even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

C. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement shall remain valid and in full force and effect and the terms of this Agreement must be equitably adjusted to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of the parties that each provision of this Agreement will be honored, carried out and enforced as written.

D. Integration/Waiver. The Recitals are a part of this Agreement. The headings of the Sections are for convenience only and do not define, limit or construe the contents of such Sections. This Agreement, together with its Exhibits, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and embodies and supersedes all prior agreements and negotiations with respect to this subject matter. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify standards and as otherwise permitted in this Agreement, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us. Notwithstanding the foregoing, you will be entitled to rely on the representations contained in the disclosure document provided to you prior to and in connection with your execution of this Agreement.

E. Acknowledgments. You acknowledge that you have conducted an independent investigation of the business franchised under this Agreement, and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon your ability. You acknowledge that you have received, read and understood this Agreement, that we have accorded you time and opportunity to consult with advisors of your own choosing about entering into this Agreement. You further acknowledge that we have recommended that you retain legal counsel to review this Agreement and its Exhibits and to advise you as to the terms and conditions of these documents and the potential economic benefits and risks of loss relating to these documents and the transactions contemplated in this Agreement. We expressly disclaim the making of, and you acknowledge that you have not received from us, any express or implied representations or warranties regarding the earnings, income, profits, sales, expenses, business or financial success, value of Live 2 B Healthy® Senior Fitness businesses or your business in general. You further acknowledge that if you had received any such representations or warranties, you would not have executed and delivered this Agreement, and you would have (1) promptly notified us in writing of the person or persons making such representations or warranties and (2) provided us with a specific written statement setting forth the representations or warranties so made. You acknowledge that we will not refund any part of any amounts payable under this Agreement or for the purchase of any of the products, equipment or supplies furnished by us.

F. Notices. Except as otherwise provided in this Agreement, any notice required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given (i) when received if delivered by hand; (ii) one business day after placement with a reputable national overnight carrier; or (iii) 3 business days after deposit if placed in the mail for delivery by airmail, postage pre-paid, and addressed to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notice to us: Live 2 B Healthy Senior Fitness, LLC
3485 230th St. E.,
Prior Lake, Minnesota 55372
Attention: Chief Manager

Copy to: Fredrikson and Byron, P.A.
Luis G. Reséndiz
60 South Sixth Street, Suite 1500
Minneapolis, MN 55402

Notice to you: _____

G. Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. Without limiting the foregoing, we shall have no liability in connection with or related to the products or services rendered to you by any third party, even if we required, approved or consented to the product or service or designated or approved the supplier.

H. Guarantee. All individuals or entities who, now or in the future, directly or indirectly, own a 10% or greater interest in the franchisee when the franchisee is a corporation, company, partnership, or another entity must execute the form of personal guaranty attached to this Agreement as Exhibit F. Also, if we are entering into this Agreement totally or partially based on the financial qualifications, experience, skills or managerial qualifications of any person or entity who directly or indirectly 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 this 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. Before approving and entering into any transaction that would make any person or entity the owner of a 10% or greater interest in you, you must notify such person or entity of the content of this Section 15.H.

I. Force Majeure. Failure of performance of this Agreement by any party due to force majeure will not be deemed a breach of this Agreement. For purposes of this Agreement, "force majeure" shall mean acts of God, State or governmental action, riots, disturbance, war, strikes, lockouts, prolonged shortage of energy supplies or any raw material, epidemics, fire, flood, hurricane, typhoon, earthquake, lightning and explosion or other similar event or condition, not existing as of the date of signature of this Agreement, not reasonably foreseeable as of such date and not reasonably within the control of any party, which prevents in whole or in material part the performance by one of the parties of its obligations under this Agreement.

J. Notice of Potential Profit. We and/or our affiliates may from time to time make available to you goods, products and/or services for use in your Live 2 B Healthy® Senior Fitness business on the sale of which we and/or our affiliates may make a profit. Further, we and/or our affiliates may from time to time receive consideration from suppliers and/or manufacturers in respect to sales of goods, products or services to you. You agree that we and/or our affiliates are entitled to said profits and/or consideration and that you will not receive (and are not entitled to) any part of such consideration.

K. Survival. The provisions of Sections 9.A, 10.B, 13, 14, 15.K and any other Section that by its nature shall survive the termination of this Agreement, will survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

LIVE 2 B HEALTHY SENIOR FITNESS, LLC

By _____

By _____

Its _____

Its _____

By _____

Its _____

Exhibit A

Protected Territory(ies)

The Protected Territory(ies) under your Live 2 B Healthy® Senior Fitness Franchise Agreement is (are) defined as follows:

First Protected Territory: _____

Second Protected Territory (if applicable): _____

Third Protected Territory (if applicable): _____

Fourth Protected Territory (if applicable): _____

Fifth Protected Territory (if applicable): _____

The Protected Territory(ies) is (are) considered fixed as of the date of the Franchise Agreement.

FRANCHISEE:

FRANCHISOR:

LIVE 2 B HEALTHY SENIOR FITNESS, LLC

By: _____

Its: _____

By: _____

Its: _____

Exhibit B

**Form of Confidentiality and Non-Competition Agreement for Owners, Guarantors,
Sales and Operations Manager, Training Coordinators, Officers, Directors, and Managers**

THIS AGREEMENT is made as of this ____ day of _____, 202__, by and between _____
_____ (“Franchisee”) and _____ (“Confidant”).

RECITALS

- A. Live 2 B Healthy Senior Fitness, LLC (“Franchisor”) and Franchisee executed that certain franchise agreement dated as of _____ (the “Franchise Agreement”).
- B. Franchisee has received and will periodically receive Confidential Information of Franchisor. “Confidential Information” means the whole or any portion of know-how, knowledge, methods, protocols, specifications, processes, procedures and/or improvements regarding the business that is valuable and secret in the sense that it is not generally known to Franchisor competitors and any proprietary information contained in any Franchisor documents that Franchisor provides to Franchisee and in which Franchisor describes the Live 2 B Healthy® Senior Fitness System or any operational policies, protocols, standards, requirements or practices, whether communicated to Franchisee in writing, verbally or through the internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Live 2 B Healthy® Senior Fitness programs, as well as the content of the Franchise Agreement and any other document executed in connection with the Franchise Agreement.
- C. Pursuant to the Franchise Agreement, all of Franchisee’s owners, guarantors, officers, directors, managers, employees, contractors or agents, or any other individual or entity related to, or controlled by the Franchisee may not, at any time, disclose, copy, reproduce, sell or use in any other business or in any manner not specifically authorized or approved in advance in writing by Franchisor any Confidential Information. Furthermore, anyone that at any time holds a 10% or greater equity interest in Franchisee, and Franchisee’s guarantors, Sales and Operations Manager, the Training Coordinators, and all officers, directors, and managers who use or may have access to any Confidential Information have certain non-compete obligations.
- D. Pursuant to the Franchise Agreement, Franchisee must obtain Confidentiality and Non-Compete Agreements from the persons and/or entities referenced in the prior paragraph.
- E. Confidant wants to become or currently is a(n) _____ of Franchisee and, therefore, it has had and/or will have access to Confidential Information.

NOW, THEREFORE, in consideration of foregoing, the payment of \$10.00 that at the time of execution of this Agreement Franchisee is paying to Confidant, and the mutual covenants and reliance of the parties, the parties agree as follows:

1. Confidant agrees that (a) it will treat as confidential and will not disclose the Confidential Information which may be made or become available to Confidant; (b) it will maintain in a secure place any Confidential Information delivered to it; (c) it will prevent disclosure of any Confidential Information by any employee, agent, or representative of Confidant and assume liability for any breach of this Confidentiality Agreement, or for any other unauthorized disclosure or use of Confidential Information, by Confidant or any of Confidant’s employees, agents, or representatives; and (d) it will not use any Confidential Information for any purpose other than in furtherance of its relationship with Franchisee or for any purpose which may be detrimental to Franchisor or Franchisor’s present or potential business or shareholders.

2. Confidant represents and warrants that as of this date, Confidant has never disclosed Confidential Information to any third party.

3. Nothing stated herein shall preclude the disclosure of Confidential Information in response to a valid order of a court, governmental agency or other governmental body or any political subdivision thereof or as otherwise required by law, provided, however, that if Confidant is requested pursuant to, or required by, applicable law, regulation or legal process to disclose any Confidential Information, Confidant will notify Franchisor and Franchisee promptly so that Franchisor and Franchisee may seek a protective order or other appropriate remedy or, in Franchisor's sole discretion, waive compliance with the terms of this Agreement. Confidant agrees to use reasonable efforts to cooperate with Franchisor and Franchisee in connection with Franchisor's and Franchisee's efforts to prevent disclosure or seek confidential treatment or any other remedy respecting such requested or required disclosure.

4. Confidant will not, directly or indirectly, during the term of the Franchise Agreement, on his/her or own account or as an employee, consultant, partner, officer, director, shareholder or member of any other person, firm, entity, partnership, corporation or company: own, operate, lease, franchise, engage in, be connected with, have any interest in, or assist any person or entity 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.

5. Confidant will not, directly or indirectly, for a period of 2 years after the transfer by Franchisee, or the expiration or termination of the Franchise Agreement, on his/her own account or as an employee, consultant, partner, officer, director, shareholder, lender, or joint venturer of any other person, firm, entity, partnership, corporation or company: own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any health fitness business offered or available to Seniors that 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 Franchisor or its affiliates or by a franchise or licensee.

6. The parties agree that Franchisor and Franchisee would not have an adequate remedy at law for any breach or nonperformance of the terms of this Agreement by Confidant. Therefore, Confidant agrees to pay Franchisor as fair and reasonable liquidated damages (but not as a penalty) \$50,000. Confidant agrees that this amount is for the damages that Franchisor will suffer for the violations to the covenants in this Agreement and that it would be difficult to calculate with certainty the amount of damage that Franchisor will incur. Notwithstanding the foregoing, if a court determines that this liquidated damages payment is unenforceable, then we may pursue all other available remedies, including consequential damages.

7. Additionally, in the event of a breach or threatened breach of any of the terms of this Agreement by Confidant, Franchisor and Franchisee will forthwith be entitled to an injunction restraining such breach or to a decree of specific performance, without showing or proving any actual damage and without any obligation to post bond or grant any other type of guaranty, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made. The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that Franchisor might otherwise have by virtue of any breach of this Agreement by Confidant.

8. No modification or waiver of any of the provisions hereof, or any representation, promise or addition hereto, or waiver of any breach hereof, will be binding upon a party unless made in writing and signed by the party to be charged thereby and by Franchisor. No waiver of any particular breach will be deemed to

apply to any other breach, whether prior or subsequent to a waiver. This Agreement may not be assigned by Confidant without the express prior written consent of Franchisor.

9. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement will be entitled to recover its reasonable attorneys' fees and costs.

10. In the event that any provision of this Agreement is held void or unenforceable for any reason by any court of competent jurisdiction, such provision will be deemed to be separable and the remainder of this Agreement shall continue in full force and effect.

11. This Agreement shall be construed and enforced in accordance with the laws of the State of Minnesota, without regard to any conflict of laws principles. Any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement must be brought in the Federal District Court for the District of Minnesota or in the State courts located in Minneapolis, Minnesota. The parties irrevocably submit themselves to, and consent to, the exclusive jurisdiction of said courts. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, or any legal action initiated for the recovery of damages for breach of this Agreement.

12. Franchisee and Confidant expressly agree that Franchisor is a third party beneficiary of this Agreement and as such Franchisor shall have the right to enforce any and all remedies available upon the violation of any of the provisions under this Agreement. In addition, Franchisor may require Franchisee to bring any action that Franchisor considers appropriate in the event of any breach by Franchisee hereunder. In the event that Franchisor or Franchisee make a claim that Confidant has violated Confidant's obligations under this Agreement, Confidant will have the burden of proving that such violation did not occur.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in the manner appropriate to each.

FRANCHISEE

CONFIDANT

By: _____

By: _____

Its: _____

Its: _____

OR

_____, individually

Exhibit C

Form of Confidentiality Agreement for Employees, Contractors, Agents and Representatives

THIS AGREEMENT is made as of this ____ day of _____, 202__, by and between _____ (“Franchisee”) and _____ (“Confidant”).

RECITALS

A. Live 2 B Healthy Senior Fitness, LLC (“Franchisor”) and Franchisee executed that certain franchise agreement dated as of _____ (the “Franchise Agreement”).

B. Franchisee has received and will periodically receive Confidential Information of Franchisor. “Confidential Information” means the whole or any portion of know-how, knowledge, methods, protocols, specifications, processes, procedures and/or improvements regarding the business that is valuable and secret in the sense that it is not generally known to Franchisor competitors and any proprietary information contained in any Franchisor documents that Franchisor provides to Franchisee and in which Franchisor describes the Live 2 B Healthy® Senior Fitness System or any operational policies, protocols, standards, requirements or practices, whether communicated to Franchisee in writing, verbally or through the internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Live 2 B Healthy® Senior Fitness programs, as well as the content of the Franchise Agreement and any other document executed in connection with the Franchise Agreement.

C. Pursuant to the Franchise Agreement, all of Franchisee’s employees, contractors or agents, or any other individual or entity to whom Franchisee has disclosed the Confidential Information, may not, at any time, disclose, copy, reproduce, sell or use in any other business or in any manner not specifically authorized or approved in advance in writing by Franchisor any Confidential Information.

D. Pursuant to the Franchise Agreement, Franchisee must obtain Confidentiality Agreements from all of its employees, contractors or agents, or any other individual or entity to whom Franchisee has disclosed the Confidential Information.

E. Confidant wants to become or currently is a(n) _____ of Franchisee and, therefore, it has had and/or will have access to Confidential Information.

NOW, THEREFORE, in consideration of foregoing, the payment of \$10.00 that at the time of execution of this Agreement Franchisee is paying to Confidant, and the mutual covenants and reliance of the parties, the parties agree as follows:

1. Confidant agrees that (a) it will treat as confidential and will not disclose the Confidential Information which may be made or become available to Confidant; (b) it will maintain in a secure place any Confidential Information delivered to it; and (c) it will not use any Confidential Information for any purpose other than in furtherance of its relationship with Franchisee or for any purpose which may be detrimental to Franchisor or Franchisor’s present or potential business or shareholders.

2. Confidant represents and warrants that as of this date, Confidant has never disclosed Confidential Information to any third party.

3. Nothing stated herein shall preclude the disclosure of Confidential Information in response to a valid order of a court, governmental agency or other governmental body or any political subdivision thereof or as

otherwise required by law, provided, however, that if Confidant is requested pursuant to, or required by, applicable law, regulation or legal process to disclose any Confidential Information, Confidant will notify Franchisor and Franchisee promptly so that Franchisor and Franchisee may seek a protective order or other appropriate remedy or, in Franchisor's sole discretion, waive compliance with the terms of this Agreement. Confidant agrees to use reasonable efforts to cooperate with Franchisor and Franchisee in connection with Franchisor's and Franchisee's efforts to prevent disclosure or seek confidential treatment or any other remedy respecting such requested or required disclosure.

4. The parties agree that Franchisor and Franchisee would not have an adequate remedy at law for any breach or nonperformance of the terms of this Agreement by Confidant. Therefore, Confidant agrees to pay Franchisor as fair and reasonable liquidated damages (but not as a penalty) \$50,000. Confidant agrees that this amount is for the damages that Franchisor will suffer for the violations to the covenants in this Agreement and that it would be difficult to calculate with certainty the amount of damage that Franchisor will incur. Notwithstanding the foregoing, if a court determines that this liquidated damages payment is unenforceable, then we may pursue all other available remedies, including consequential damages.

5. Additionally, in the event of a breach or threatened breach of any of the terms of this Agreement by Confidant, Franchisor and Franchisee will forthwith be entitled to an injunction restraining such breach or to a decree of specific performance, without showing or proving any actual damage and without any obligation to post bond or grant any other type of guaranty, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made. The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that Franchisor might otherwise have by virtue of any breach of this Agreement by Confidant.

6. No modification or waiver of any of the provisions hereof, or any representation, promise or addition hereto, or waiver of any breach hereof, will be binding upon a party unless made in writing and signed by the party to be charged thereby and by Franchisor. No waiver of any particular breach will be deemed to apply to any other breach, whether prior or subsequent to a waiver. This Agreement may not be assigned by Confidant without the express prior written consent of Franchisor.

7. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement will be entitled to recover its reasonable attorneys' fees and costs.

8. This Agreement shall be construed and enforced in accordance with the laws of the State of Minnesota, without regard to any conflict of laws principles. Any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement must be brought in the Federal District Court for the District of Minnesota or in the State courts located in Minneapolis, Minnesota. The parties irrevocably submit themselves to, and consent to, the jurisdiction exclusive of said courts. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, or any legal action initiated for the recovery of damages for breach of this Agreement.

9. Franchisee and Confidant expressly agree that Franchisor is a third party beneficiary of this Agreement and as such Franchisor shall have the right to enforce any and all remedies available upon the violation of any of the provisions under this Agreement. In addition, Franchisor may require Franchisee to bring any action that Franchisor considers appropriate in the event of any breach by Franchisee hereunder. In the event that Franchisor or Franchisee make a claim that Confidant has violated Confidant's obligations under this Agreement, Confidant will have the burden of proving that such violation did not occur.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in the manner appropriate to each.

FRANCHISEE

CONFIDANT

By: _____
Its: _____

By: _____
Its: _____

OR

_____, individually

Exhibit D

Form of Release

This Agreement is executed as of _____, 202_, by and between _____ (“Franchisee”), your [Shareholders/Members/Partners] signing this Agreement (collectively, “Franchisee’s Owners”), and Live 2 B Healthy Senior Fitness, LLC (“Franchisor”).

RECITALS

- A. Franchisor and Franchisee executed that certain franchise agreement dated _____, 202_ (the “Franchise Agreement”).
- B. Franchisee and/or Franchisee’s Owners have requested Franchisor’s consent for the [renewal/sale/transfer/assignment] of the Franchise Agreement.
- C. Franchisor has the right to request a general release from Franchisee and/or Franchisee’s Owners in connection with the request for approval of the [renewal/sale/transfer/assignment] of the Franchise Agreement.

Therefore, in consideration of the foregoing and the mutual covenants and reliance of the parties, the parties agree as follows:

AGREEMENT

Franchisee and/or Franchisee’s Owners, on behalf of themselves, and all others claiming by, through or under them hereby release and discharge, and agree to indemnify and defend, Franchisor and Franchisor’s affiliates, and each of their respective past and present shareholders, officers, directors, employees, agents, insurers, attorneys, successors and assigns (the “Released Parties”), from all claims, causes of action, obligations and liabilities (collectively “Claims”) which Franchisee and/or Franchisee’s Owners now have, ever had, or may hereafter have against the Released Parties, or any one of them, arising out of, based upon, or relating to: (i) the Franchise Agreement; (ii) the offer and sale of a franchise for the Live 2 B Healthy® Senior Fitness business to them; (iii) the furnishing of any products or services to them by any of the Released Parties; (iv) any actions taken by any of the Released Parties under or in relation to the Franchise Agreement; (v) the expiration or termination of the Franchise Agreement; or (vi) the relationship among the parties arising out of the Franchise Agreement. The foregoing release includes all such Claims whether known or unknown, or anticipated or unanticipated. Franchisee and/or Franchisee’s Owners represent to Franchisor that no Claim that is a subject of the above release, in whole or in part, has been assigned to any party that will not be bound by the release. Franchisee and/or Franchisee’s Owners covenant not to sue, or bring (or assist, encourage, or finance the bringing by any person not a party to this agreement of) any legal action or suits against the Released Parties for any Claim that is a subject of the above release.

Each of the undersigned hereby acknowledges having read and understood this General Release and consents to be bound by all of its terms.

FRANCHISEE:

By: _____
Its: _____

FRANCHISOR:

LIVE 2 B HEALTHY SENIOR FITNESS, LLC

By _____
Its: _____

FRANCHISEE'S OWNERS

_____, individually

_____, individually

Exhibit E

Electronic Transfer of Funds Authorization

Franchisee: _____

Date: _____

NEW	CHANGE

Attention: Bookkeeping Department

The undersigned authorizes Live 2 B Healthy Senior Fitness, LLC (“we” or us”) to initiate periodic ACH debit entries against the account of the undersigned with you in payment of amounts for Royalties, MAP Fees, Technology Fees, or other amounts that become payable by the undersigned to us. The dollar amount to be debited per payment will vary. Subject to the provisions of this letter of authorization, you are directed to honor any such ACH debit entry initiated by us.

This authorization is binding and cannot be revoked until (i) the undersigned has notified us in writing, (ii) the undersigned has set up a different electronic transfer of funds authorization under the same terms and conditions of this one, and (iii) we provide written consent to the revocation. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization.

Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization.

*** We also need a VOIDED Check ***

Bank Name

Branch

Street Address

City State Zip Code

Bank Telephone Number

Bank’s Account Number

Customer’s Account Number

Sincerely yours,

Account Name

Street Address

City State Zip Code

Telephone Number

By _____

Its _____

Date _____

Exhibit F

Personal Guaranty

In consideration of the execution of the Franchise Agreement (the "Agreement") between LIVE 2 B HEALTHY SENIOR FITNESS, LLC ("we" or "us") and _____ (the "Franchisee"), dated _____, 202__ and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Agreement, to be paid, kept and performed by the Franchisee, including the dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement and agree that this Personal Guaranty will be construed as though the undersigned assumed all the Franchisee's obligations under the Agreement.

The undersigned waive (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; (3) any right he/she may have to require that an action be brought against the Franchisee or any other person as a condition of liability; and (4) notice of any changes permitted by the terms of the Agreement or agreed to by the Franchisee.

In addition, the undersigned consent and agree that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the Franchisee or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the Franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; and (3) this Personal Guaranty shall apply in all modifications to the Agreement of any nature agreed to by Franchisee with or without the undersigned receiving notice thereof.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of our successors and assigns.

PERSONAL GUARANTORS:

Individually

Print Name

Address

City State Zip Code

Telephone

Individually

Print Name

Address

City State Zip Code

Telephone

ADDENDUM TO THE LIVE 2 B HEALTHY® SENIOR FITNESS
FRANCHISE AGREEMENT FOR THE STATE OF MINNESOTA

This Addendum pertains solely to franchises sold in the State of Minnesota and is for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. Sections 4.G, 5, 9.A and 11.A of the Franchise Agreement are hereby amended by the addition of the following language at the end of the Sections: “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 would release us from any liability under Minn. Stat., sections 80C.01 to 80C.22.
2. Section 6.A of the Franchise Agreement is amended to provide 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. Once 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, you shall pay the Initial Franchise Fee.
3. Section 7.E is hereby amended to provide 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 under the terms of the Franchise Agreement.
4. Pursuant to Minn. Rule 2860.4400J of the Minnesota Franchise Law, a franchisee may not be required to consent to termination penalties or liquidated damages under Section 10 of the Franchise Agreement.
5. Sections 12.A and 12.B are hereby amended to provide that, except for certain cases, Minnesota Franchise Law mandates that we give you 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement.
6. Section 14.C is amended to provide that (i) while we can seek injunctive relief you we cannot ask you to consent to us obtaining injunctive relief; and (ii) a court will determine if a bond is required on any legal action we initiate.
7. Section 14.E is amended to provide that any claims arising under the Minnesota Franchise Law must be brought within three (3) years after the grant of the Franchise Agreement.
8. Section 14.F is hereby deleted from the Franchise Agreement, as a waiver of trial by jury is considered unenforceable in the State of Minnesota.
9. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

LIVE 2 B HEALTHY SENIOR FITNESS, LLC

By _____

Its _____

By _____

Its _____

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:

Arizona	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 st Street Johnston, IA 50131 515-778-2589	Live 2 B Healthy CMB, LLC 1128 Bridle Creek Drive Jordan, MN 55352 952-715-1239
California	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	South Dakota
Colorado		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	Minnesota	Texas
Iowa	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
“Marketing and Sales” Section Overview	1
General Marketing Materials	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
Marketing Support for Residential Communities	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
Trade Show (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
Contract with Communities Section Overview	1
30 Day Quick Start Marketing Plan	11
Notes:	1
New Community Contracting Sequence	2
Pilot Program	1
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Resident Fitness Assessment	1
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Community Posters	5
Fitness Awards	3
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Hire Great Personal Trainers Section Overview	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
“Exercises and Testing” Section Intro	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
“Manage and Grow the Business” Section Overview	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
“Franchise Community” Section Overview	1
Franchise Web Overview	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.

QUESTION	YES	NO
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.

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__

**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.

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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