

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

How to Use This Franchise Disclosure Document

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

QUESTION

How much can I earn?

How much will I need to invest?

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

Is the franchise system stable, growing, or shrinking?

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

Does the franchisor have a troubled legal history?

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

What else should I know?

WHERE TO FIND INFORMATION

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

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

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

Item 20 summarizes the recent history of the number of company-owned and franchised outlets.

Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.

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

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

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

~~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.~~

Special Risks to Consider About *This Franchise*

~~Please consider~~ Certain states require that the following ~~RISK FACTORS~~ before you buy this franchise ~~risk(s)~~ be highlighted:

- ~~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.~~ Out of State Dispute Resolution. 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.~~ Mandatory minimum payments. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

~~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.~~

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

~~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
- 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
- G. FRANCHISEE QUESTIONNAIRE

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.~~

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

You are responsible for developing your own business plan for your business, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances. We

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

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

Items 5 and 7

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

Item 13

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

Item 17

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

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

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

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

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

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

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

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

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

EXHIBIT B
Financial Statements

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:

<u>California</u>	
<u>Minnesota</u>	

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

**ITEM 23
RECEIPT**

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

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

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

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

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

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

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

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

If a business entity:

If an individual:

By: _____
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.