



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
SEE STATEMENT ATTACHED

Multiple horizontal lines for providing details for question 17.

18 Can any resulting loss be recognized? ▶ SEE STATEMENT ATTACHED

Multiple horizontal lines for providing details for question 18.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE STATEMENT ATTACHED

Multiple horizontal lines for providing details for question 19.

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ *Steve Kerzman* Date ▶ 3/5/2021

Print your name ▶ STEVE KERZMAN Title ▶ SENIOR TAX DIRECTOR

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**LIFE TIME, INC.**  
**EIN: 41-1689746**

**Attachment to Form 8937**

**Report of Organizational Actions Affecting Basis of Securities**  
**Debt Instrument: Term loan**

Disclaimer: The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account any lender's specific circumstances. Lenders are urged to consult their own tax advisors regarding U.S. tax consequences of the amendment described herein and the impact to tax basis resulting from the amendment.

**LIFE TIME, INC.**

**EIN: 41-1689746**

**Attachment to Form 8937**

**Report of Organizational Actions Affecting Basis of Securities**

**Debt Instrument: Term Loan**

**Form 8937, Part II, Line 14 – Describe the organizational action and, if applicable, the date of the action or the date against which shareholder’s ownership is measured for the action.**

**Background on the Term Loan**

On June 10, 2015, Life Time, Inc. (the “Issuer”), a wholly owned subsidiary of LTF Holdings, Inc. and certain lenders entered into a Credit Agreement (the “Credit Agreement”) that provided for a first lien term loan with an initial principal amount of \$1,250,000,000 (CUSIP 50218KAB4) (the “Term Loan”). On June 9, 2016, the Issuer executed an amendment to the Credit Agreement (the “2016 Amendment”), whereby, among other things, the principal amount was increased by \$100,000,000. On January 27, 2017, the Issuer executed a fourth amendment to the Credit Agreement (the “January 2017 Amendment”), whereby, among other things, the Applicable Rate on the Term Loan was decreased by 25 basis points. On November 15, 2017, the Issuer executed a fifth amendment to the Credit Agreement (the “November 2017 Amendment”), whereby, among other things, the Applicable Rate on the Term Loan was decreased by an additional 25 basis points, which when combined with the January 2017 Amendment, results in an aggregate reduction in the Applicable Rate of 50 basis points. As a result of the November 2017 Amendment, for U.S. Federal income tax purposes, the Term Loan was treated as retired in exchange for a new term loan (CUSIP 50218KAD0) (the “November 2017 Term Loan”). On March 22, 2018, the Issuer executed a seventh amendment to the Credit Agreement (the “March 2018 Amendment”), whereby, among other things, the principal amount was increased by \$250,000,000.

**January 2021 Amendment**

On January 22, 2021, the Issuer executed an eighth amendment to the Credit Agreement (the “January 2021 Amendment”), whereby, among other things, the principal amount was reduced to \$850,000,000 and the Applicable Rate on the Term Loan was increased by 200 basis points. As a result of the January 2021 Amendment, for U.S. Federal income tax purposes, the Term Loan was treated as retired in exchange for a new term loan (CUSIP 50218KAG3) (the “New Term Loan”).

**Form 8937, Part II, Line 15 – Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

If the November 2017 Term Loan and the New Term Loan constitute “securities,” the January 2021 Amendment should be treated as a tax-free recapitalization under section 368(a)(1)(E). To the extent that either the November 2017 Term Loan or the New Term Loan is not a security, the January 2021 Amendment does not qualify as a tax-free recapitalization. The Issuer intends to treat the November 2017 Term Loan and New Term Loan as securities with the result that the January 2021 Amendment qualifies as a tax-free recapitalization. Participating Lenders should consult their tax advisors to determine the tax consequences of the January 2021 Amendment to them.

If the January 2021 Amendment is a tax-free recapitalization, then, subject to the discussion below regarding cash received for accrued, unpaid interest, each Participating Lender would not recognize gain or loss unless any cash was received; in which case, the Participating Lender would only recognize any gain (but not loss) realized up to an amount equal to the cash received (other than cash received for accrued, unpaid interest on the November 2017 Term Loan). A Participating Lender's tax basis in the New Term Loan received in exchange for the November 2017 Term Loan generally will equal such holder's adjusted tax basis in the November 2017 Term Loan surrendered (other than basis allocable to accrued but unpaid interest), plus the amount of gain (if any) recognized by the holder, less any cash received (other than cash received for accrued, unpaid interest on the November 2017 Term Loan).

If the January 2021 Amendment is not a tax-free recapitalization, then, subject to the discussion below regarding cash received for accrued, unpaid interest, each Participating Lender will recognize gain or loss upon the deemed receipt of its portion of the New Term Loan, with the amount of such gain or loss equal to the sum of the issue price (generally, the fair market value) of the New Term Loan received and any cash received (other than cash received for accrued, unpaid interest on the November 2017 Term Loan). In that event, each Participating Lender's tax basis in the New Term Loan will equal the issue price (generally, the fair market value) of the New Term Loan.

To the extent any portion of a Participating Lender's share of the consideration is allocable to interest on the November 2017 Term Loan that accrued but was not paid while such holder held the November 2017 Term Loan, such portion would be generally treated as a payment of interest.

**Form 8937, Part II, Line 16 – Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

If the January 2021 Amendment is a tax-free recapitalization under section 368(a)(1)(E), each Participating Lender's tax basis in the New Term Loan will generally equal such Participating Lender's adjusted tax basis in the November 2017 Term Loan immediately prior to the deemed exchange (excluding any portion allocable to accrued, unpaid interest), adjusted as described above. If the January 2021 Amendment is not a tax-free recapitalization, each Participating Lender will recognize gain or loss upon the deemed receipt of its portion of the New Term Loan (other than cash received for accrued, unpaid interest on the November 2017 Term Loan). In that event, each Participating Lender's tax basis in the New Term Loan will equal the issue price (generally, the fair market value) of the New Term Loan.

**Form 8937, Part II, Line 17 – List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

Sections 354, 358, 368, 1001, 1012, and 1273.

**Form 8937, Part II, Line 18 – Can any resulting loss be recognized?**

The January 2021 Amendment generally should not result in the recognition of loss by a Participating Lender if the January 2021 Amendment is a tax-free recapitalization. If the January 2021 Amendment is not a tax-free recapitalization, the January 2021 Amendment may result in the recognition of loss by a Participating Lender to the extent such Participating Lender's tax basis in the November 2017 Term Loan exceeds the fair market value of the New Term Loan received in exchange therefore.