

## FRANCHISE DISCLOSURE DOCUMENT



Alive Center Franchising LLC  
an Illinois Limited Liability Company  
500 West 5th Avenue  
Naperville, Illinois 60563  
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Email: [cai@alivecenter.org](mailto:cai@alivecenter.org)  
Website: [www.alivecenter.org](http://www.alivecenter.org)

The franchise offered is for the right to develop, own, and operate a center that aims to provide innovative programming that allows youth to explore their own creativity and talents through a variety of experiences under the “ALIVE CENTER™” name and trademarks. The total investment necessary to begin operation of an Alive Center™ is \$114,170 to \$616,385. This includes \$40,000 that must be paid to the franchisor or an affiliate.

This Franchise Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Franchise Disclosure Document and all accompanying agreements carefully. You must receive this Franchise 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 governmental 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 Alive Center Franchising LLC at 500 West 5th Avenue, Naperville, Illinois 60563, (630) 778-6093, [cai@alivecenter.org](mailto:cai@alivecenter.org).

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

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise 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, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

**ISSUANCE DATE: April 28, 2025**

## 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	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	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.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit C include financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Alive center in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be an Alive franchisee?</b>	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 may prohibit 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 with you in your territory.

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in Illinois. Out of state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate, or litigate with us in Illinois than in your home state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Unregistered Trademark.** The primary logo that you will use in your business is not federally registered. If the Franchisor's ability to use this trademark in your area is challenged, you may have to identify your business and its products/services by a different name. This change can be expensive and may reduce brand recognition of the products and services you offer.
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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EXHIBIT A	State Administrators/Agents for Service of Process
EXHIBIT B	Franchise Agreement
EXHIBIT C	Financial Statements
EXHIBIT D	Table of Contents to Operations Materials
EXHIBIT E	Sample General Release
EXHIBIT F	State Riders and Addenda
EXHIBIT G	Receipts

APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS FRANCHISE DISCLOSURE DOCUMENT, AND MIGHT REQUIRE A RIDER TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES AND RIDERS, IF ANY, APPEAR IN EXHIBIT F.

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

We refer to this document as the “Disclosure Document.” The franchisor is Alive Center Franchising LLC, and we refer to it as “Franchisor” or “we.” We refer to the person or entity that buys the franchise as “you.” We refer to the businesses for which franchises are offered under this Disclosure Document as “Alive Centers” (as defined below), and the Alive Center that you will own and operate as “your Center.”

**The Franchisor and Our Agents for Service of Process.**

We are a limited liability company formed in the State of Illinois on November 1, 2024. Our principal business address is 500 West 5th Avenue, Naperville, Illinois 60563. Our principal telephone number is (630) 778-6093. We do not conduct business under any name except our legal name and our brand name, “Alive™”. Please refer to Exhibit A for the names and addresses of our agents for service of process in the states whose franchise laws require us to name an agent for service.

We have offered franchises for Alive Centers since December 2024. We have never operated an Alive Center, nor do we engage in any other business activities or offer franchises for any other line of business.

**Our Parent, Predecessor, and Affiliates.**

Our parent is Alive Center NFP (our “Parent”). Parent shares our principal business address, has operated Alive Centers since 2012, and currently operates three Alive Centers. Additionally, since September 2024, Parent has provided a certification program in which organizations are granted access to, and supplement their existing programs with, certain components of the Business Model (as defined below) while operating under their own trademarks, service marks, trade names, and commercial symbols alongside the use of “Alive Teen-Led, Teen-Driven Certified.” The certification program is subject to the terms and conditions of a certification agreement.

We have no affiliates who sell or have sold franchises in this or any other line of business or provide products or services to our franchisees. We do not have a predecessor.

**The Type of Business You will Conduct.**

We offer franchises for centers that provide innovative programming that allow youth to explore their creativity and talents through a variety of experiences resulting in empowerment through discovery, leadership, belonging, and resiliency (the “Business Model”). The Business Model is developed and offered using certain values, principles, business formats, methods, procedures, designs, layouts, standards, and specifications, each of which we may replace, further develop, or otherwise modify or discontinue from time to time (collectively, the “System”). The Business Model is identified by the trademark “Alive™” (together, with such other trademarks, service marks, trade names, and commercial symbols we periodically designate, the “Marks”) and is offered at locations we refer to as “Alive Centers.” Alive Centers must provide the services that are part of the Business Model at no cost, which currently includes the Teen Drop-In Program, the Teen Initiated Program, and the Teen Advisory Board (collectively, the “Services”).

We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate an Alive Center offering the Services and using the Business Model, Marks, and the System. Based on the Business Model, we anticipate that in order to qualify to be a franchisee, you will have received or applied for funding from an external source (such as governmental

agencies, foundations, or corporate sponsorships) that will be utilized for build out and support of your Center. In order to acquire the right to develop, own, and operate an Alive Center, you must enter into a franchise agreement with us (the “Franchise Agreement”), the current form of which is attached to this Disclosure Document as Exhibit B.

Market for Your Products and Services; Competition.

The market for Alive Centers is primarily teenagers in need of after-school activities. The market for the services provided by Alive Centers is established and expanding. Alive Centers may operate in close proximity to established competitors, including public and private schools, churches, park districts, and other companies that provide after-school activities, each of which may offer similar facilities or programs to teenagers. Some competitors may be for-profit businesses and others may be not for profit. You should expect to face competition from these other businesses.

Laws, Rules, and Regulations.

You and your employees and staff must comply with all applicable federal, state, and local statutes, laws, ordinances, and regulations regarding the protection and transportation of children and the operation of facilities providing services to minors. Each state has laws and regulations regarding facilities providing services to minors, which may include personnel screening, background checks, criminal records checks, and fingerprinting requirements; food service requirements; readily accessible accommodations for disabled persons; and mandatory obligations to report child abuse. You must also comply with health and safety regulations that apply to the preparation, serving, and storage of food at your Center. Federal, state, and local governmental laws, ordinances, and regulations periodically change. It will be your responsibility to investigate, keep informed of, and comply with all federal, state, and local governmental requirements. You should consult with your attorney about laws and regulations that may affect your Center.

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

**Kandice Henning – Chief Executive Officer**

Ms. Henning has been our Chief Executive Officer since November 2024. She has also been Parent’s Chief Executive Officer since November 2014 and Director since January 2015.

**Tina Hinch – Vice President**

Ms. Hinch has served as our Vice President since November 2024 and as Parent’s Vice President and Director since January 2019. Prior to that, Ms. Hinch served as Head of Research and Development, Cloud Network Division for Nokia in Naperville, Illinois from January 2016 to July 2021.

**Grace Buzzard – Treasurer**

Ms. Buzzard has served as our Treasurer since November 2024 and as Parent’s Treasurer and Director since August 2022. Ms. Buzzard has also held numerous positions with SAP Fieldglass in Naperville, Illinois, including Vice President, Strategic Operations since April 2022, Vice President, Quality Assurance from April 2021 to March 2022, and Senior Director, Quality Assurance from April 2017 to April 2021.

**Tiffany Sellman – Secretary**

Ms. Sellman has served as our Secretary since November 2024 and as Parent’s Secretary and Director since September 2023. Prior to that, Ms. Sellman served as Chief Human Resources Officer of The Mather Group, LLC in Chicago, Illinois from June 2022 to October 2023 and as U.S. Head of Human Resources of ABN Amro Clearing Chicago, LLC in Chicago, Illinois from June 2016 to June 2022.

**Elisa Henley – Director of Finance**

Ms. Henley has served as our Director of Finance since November 2024 and as Parent’s Director of Finance since January 2023. Prior to that, Ms. Henley served as our Operations Manager from May 2018 to December 2022.

**Becky Pundy – Director Come Alive Institute and ATI Lead**

Ms. Pundy has served as our Director, Come Alive Institute and ATI Lead since November 2024 and as Parent’s Director, Come Alive Institute and ATI Lead since September 2023. Prior to that, Ms. Pundy served as Director, Respite Services for Little Friends Inc. from July 2019 to September 2023 in Warrenville, Illinois.

**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**

When you sign the Franchise Agreement, you will pay us an initial franchise fee (“Initial Franchise Fee”) of \$40,000. The initial franchise fee is paid in a lump sum and is not refundable.

**ITEM 6  
OTHER FEES**

Type of Fee	Amount	Due Date	Remarks <sup>1</sup>
Monthly Fee	\$1,250 per month	Payable monthly on the first of each month	The first Monthly Fee is due on the first day of the month following the date your Center opens to the public.
Interest	Lesser of 1.5% of the monthly outstanding balance or highest contract rate of interest allowed by law	As incurred	You will be assessed interest if a payment is not made when due.

Type of Fee	Amount	Due Date	Remarks <sup>1</sup>
Come Alive Training Fee	\$999 per person	As incurred	This training covers the material aspects of operating an Alive Center and is required for those individuals that oversee Center operations. This training is provided to two people for no additional charge before you open your Center. Certain modules of this training must also be completed by all full-time staff that are involved in teen programming, even if not involved in Center operations. If you engage us and our staff to provide training to any additional or new personnel, you will pay us to do so.
Consulting Fee	\$50 to \$75 per hour	As incurred	We will provide 120 hours of consulting services during the first year following the effective date of the Franchise Agreement for no additional fee. If you require additional consulting services, you will pay \$75/hour for consulting services provided by our Chief Executive Officer or other individuals identified as Directors, or \$50/hour for consulting services provided by any other personnel. You are responsible for all expenses incurred by us and our personnel in connection with any consulting services you request, including costs of travel, lodging, meals, and the like.
Renewal Fee	50% of the then-current Initial Franchise Fee, up to a maximum of \$20,000	Upon or before execution of the renewal Franchise Agreement	
Indemnification	Our actual costs	As incurred	You must indemnify and reimburse us and our Parent, affiliates, and our and their directors, officers, employees, agents, successors, and assigns harmless against all claims arising from the development, ownership, and operation of your Center or your breach of the Franchise Agreement.
Costs and Attorneys' Fees	Our actual costs	As incurred	Payable only if we prevail in any litigation, arbitration, or other proceeding between you and us.
Alternative Payment Fee	3% per payment processed by credit card	As incurred	If we permit you to pay using a method other than electronic funds transfer, we may require payment of an alternative payment fee. This fee is subject to increase if increased by the credit card companies.

## NOTES

1. Unless otherwise noted, all fees are non-refundable. Fees may not be uniform for all franchisees.

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

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure<sup>1</sup></b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is Made</b>
Initial Franchise Fee	\$40,000	Lump sum	Upon signing Franchise Agreement	Us
Construction and Leasehold Improvements <sup>2</sup>	\$10,000 to \$300,000	As arranged	As arranged	Suppliers
Furniture, Fixtures, and Equipment <sup>3</sup>	\$3,500 to \$33,500	As arranged	As arranged	Suppliers
Computer Software <sup>4</sup>	\$5,000 to \$16,810	As arranged	As arranged	Suppliers
Technology <sup>5</sup>	\$3,500 - \$7,000	As arranged	As arranged	Suppliers
Signage <sup>6</sup>	\$4,000 to \$8,000	As arranged	As arranged	Suppliers
Rent <sup>7</sup>	\$0 to \$105,000	As arranged	As arranged	Landlord
Security Deposit <sup>8</sup>	\$0 to \$10,000	As arranged	As arranged	Landlord
Opening Inventory and Supplies <sup>9</sup>	\$1,750 to \$11,500	As arranged	As arranged	Suppliers
Training Expenses <sup>10</sup>	\$450 to \$1,850	As arranged	As incurred	Employees and suppliers
Grand Opening Advertising	\$1,000	As arranged	As arranged	Suppliers
Website Design <sup>11</sup>	\$0 to \$8,000	As arranged	As arranged	Suppliers
Miscellaneous Opening Costs <sup>12</sup>	\$1,500	As arranged	As arranged	Suppliers
Professional Fees and Business Expenses <sup>13</sup>	\$500 to \$1,675	As arranged	As arranged	Suppliers
Insurance Premium <sup>14</sup>	\$5,000 to \$8,000	As arranged	As arranged	Insurer
Additional Funds (for 6 months) <sup>15</sup>	\$37,970 to \$62,550	As arranged	As arranged	Employees and suppliers
<b>TOTAL<sup>16</sup></b>	<b>\$114,170 to \$616,385</b>			

NOTES:

1. All fees payable to us or our affiliates are not refundable. Amounts payable to third parties are not refundable unless the third party agrees otherwise.

2. The cost of construction and leasehold improvements will vary as a function of size, condition, and location of the premises, price differences among contractors, local wage rates, and material costs. The low end of the estimate assumes that the existing building does not require a lot of build out to convert the location into an Alive Center.

3. The costs of purchasing and installing furniture, fixtures, and equipment varies according to the size of the premises, the location of the premises, and price differences among suppliers. The low end of the estimate assumes that most furnishings are donated.

4. The low end of the estimate includes the annual subscription costs for the first year of operation for required software. See Item 11 for software requirements. The high end of the estimate includes the annual subscription costs for the first year of operation for software that may be needed for fundraising and related data tracking.

5. This estimate includes the purchase of certain technology such as a front desk computer, backup computer(s), gaming computers, printer(s), two iPads, and three speakers.

6. Signage includes interior and exterior signs. Interior signage includes signage that will guide guests inside your Center and will provide information about various rooms and their purposes. External signage includes mounted signs, monument signs, or other permanent fixtures outside your Center that bear the Marks. The cost of signage may vary depending on the type, size, and location of the signs, and may also be affected by applicable city code and landlord restrictions.

7. This estimate assumes that you will not purchase real property but will lease premises for the Center and includes the first six months' rent. The cost of leasing a location will vary significantly depending on the market. The low end of the estimate assumes you are establishing your Center within a premises that you already own or operate. Variables affecting the initial cost to lease the premises may include the property location, accessibility, building size, improvements, real estate taxes, and maintenance expenses. Typically, premises for Centers range in size from 4,000 to 7,000 square feet.

8. A security deposit may be required by your landlord. The low end of the estimate assumes you are establishing your Center within a premises you already own.

9. Opening inventory and supplies includes items such as board games, gaming devices and tables, kitchen supplies, and miscellaneous items (such as paint, paper, canvases, scissors, tape, and other crafting supplies).

10. You will pay the expenses of travel, meals, and lodging for your personnel attending training. The amount expended will depend upon the distance those persons must travel and the type of accommodations chosen. The high end assumes your personnel are not local and will need overnight accommodations.

11. You are expected to have a website for your Center. However, the low end of this estimate assumes you have fundraised the expenses needed to design a website for your Center.

12. Miscellaneous opening costs include any unexpected or unaccounted for costs that pertain to your Center, which may include, for example, alternative signage (if the premises does not allow signage as we require) and any additional office supplies and other unforeseen expenses you may incur.

13. Professional fees and business expenses include legal fees incurred to begin operating your Center, membership fees for participation in local chambers and organizations, as well as expenses related to entity formation.

14. You must maintain in force at your expense the insurance policies we require in connection with your Center's operation. The estimate provided above is for your annual premiums for the first year of operation for the minimum coverage we require. See Item 8 for a description of our current requirements.

15. The additional funds represent an estimate of working capital that will be used during the first six months of operation, including payroll costs, employee benefits, utilities (including internet), weekly cleaning services, replenishment of supplies, security services, audit fees, and grant writing (if participating in major fundraising). We have relied on our Parent's experience in opening and operating Alive Centers since 2012 in calculating this estimate.

16. We do not finance any portion of your initial investment.

## **ITEM 8**

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

#### Standards and Specifications.

In order to maintain the quality of Alive Centers, we may periodically issue certain mandatory specifications, standards, operating procedures, and rules for developing, managing, and operating Alive Centers (the "System Standards"). You must strictly comply with all System Standards. In operating your Center, you must use only the products, supplies, furniture, fixtures, signs, and Computer System (as defined below) (collectively, the "Operating Assets") that we approve and that comply with our System Standards. We will not issue to you or to any approved suppliers (except as we deem necessary) the standards and specifications for proprietary Operating Assets. We will otherwise communicate our System Standards and the approved Operating Assets to you in the Operations Materials (as defined below) and otherwise in writing.

#### Approved or Designated Suppliers.

As part of our System Standards, we may require you to purchase some or all Operating Assets from suppliers we approve or designate, some of whom we might designate as the exclusive supplier of one or more Operating Assets. We will provide a list of approved and designated suppliers in the Operations Materials or otherwise in writing, if any. Currently, we do not require you to purchase or lease any products or service from us or any affiliates; however, we may do so in the future. RecDesk is the exclusive supplier of certain application software that will be used in the operation of your Center. Other than RecDesk, we have not designated any supplier from whom you must purchase the Operating Assets; however, we may do so in the future.

We estimate that approximately 40% to 45% of the required purchases and leases of goods and services to establish your Center, and approximately 20% to 25% to operate your Center, will be subject to our specifications or must be purchased from an approved or designated supplier.

As of the date of this Disclosure Document, none of our officers owns an interest in any approved suppliers.

### Alternative Products, Services, and Suppliers.

If we have designated or approved suppliers for any product or service and you desire to purchase, lease, or use those products or services from an unapproved supplier, you must submit to us a written request for approval. If you would like us to consider approving a supplier that has not been approved, the request must be submitted before you purchase any items or services from that unapproved supplier. We will notify you of our approval or disapproval of all proposed products, services, or suppliers in writing to you within a reasonable time, typically within 30 days after receipt of the information from you or from the proposed supplier. We do not charge for our review of proposed suppliers. We may revoke our approval of any supplier at any time and for any reason. We do not make our criteria for approving suppliers available to you.

### Insurance.

You must maintain in force at your sole expense insurance policies for your Center as required under applicable law and in minimum types and amounts of coverage we require. Currently we require the following insurance:

- 1) comprehensive general liability coverage in an amount of \$2,000,000 per occurrence;
- 2) umbrella liability coverage in an amount of \$2,000,000 per occurrence and \$2,000,000 in the aggregate on an annual basis;
- 3) commercial crime insurance coverage in an amount of \$2,000,000 per occurrence;
- 4) cyber and privacy liability insurance coverage in an amount of \$2,000,000 per occurrence;
- 5) property insurance coverage in an amount of \$2,000,000 per occurrence; and
- 6) workers' compensation insurance for your employees in accordance with laws applicable in the jurisdiction of your Center.

We may periodically change the amounts of coverage required under these insurance policies or require different or additional insurance coverages at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. You routinely must furnish us with copies of your Certificate of Insurance or other evidence of your maintaining these insurance coverages and paying premiums.

### Purchase Arrangements, Material Benefits and Revenue.

We have not entered into any agreement with any designated or approved suppliers of Operating Assets pursuant to which we could derive revenue or other material consideration based on franchisee purchases from such suppliers, though we may do so in the future. During 2024, we did not derive any revenue from the direct sale of goods and services to franchisees.

We may negotiate purchase arrangements, including prices and terms, with designated and approved suppliers for the franchise system. Currently there are no purchasing or distribution cooperatives.

We do not provide any material benefits to our franchisees based on their use of designated or approved suppliers.

**ITEM 9**  
**FRANCHISEE’S OBLIGATIONS**

**This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of the Disclosure Document.**

<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Item in Disclosure Document</b>
A. Site selection and acquisition/ lease	Section 2.A	Items 8 and 11
B. Pre-opening purchases/leases	Sections 2.C and 2.E	Items 7, 8 and 11
C. Site development and other pre-opening requirements	Section 2	Items 7, 8 and 11
D. Initial and ongoing training	Sections 3.A, 3.B, and 3.C	Items 6, 7, and 11
E. Opening	Section 2.B	Items 7 and 11
F. Fees	Section 4	Items 5, 6 and 7
G. Compliance with standards and policies / operating manuals	Sections 3.E and 8.F	Items 8, 11 and 14
H. Trademarks and proprietary information	Section 5	Items 13 and 14
I. Restrictions on products/services offered	Sections 2.D, 8.B, and 8.D	Items 8, 11, 12, and 16
J. Warranty and customer service requirements	Not Applicable	Not Applicable
K. Territorial development and sales quotas	Section 1.D	Item 12
L. Ongoing product / service purchases	Sections 2.C and 2.E	Items 8 and 11
M. Maintenance, appearance and remodeling requirements	Section 2.C	Items 8 and 11
N. Insurance	Section 8.F	Items 6, 7 and 8
O. Advertising	Sections 5.C and 9	Items 6, 8 and 11
P. Indemnification	Section 15.C	Item 6
Q. Owner’s participation / management / staffing	Section 8.C	Items 11 and 15
R. Records and reports	Section 10	Items 6 and 11
S. Inspection and audits	Section 10	Items 6 and 11
T. Transfer	Section 11	Items 6 and 17
U. Renewal	Section 12	Items 6 and 17
V. Post-termination obligations	Section 14	Item 17
W. Non-competition covenants	Sections 7 and 14.D	Item 17

Obligation	Section in Franchise Agreement	Item in Disclosure Document
X. Dispute resolution	Section 16.E	Item 17

**ITEM 10**  
**FINANCING**

Neither we nor any agent or affiliate offers any direct or indirect financing to you, or guarantees any of your notes, leases, or other obligations.

**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 Center, we will:

- 1) approve or reject the proposed location for your Center (Franchise Agreement, Section 2.A);
- 2) provide plans and written specifications for all required Operating Assets and lists of approved suppliers or vendors (Franchise Agreement, Sections 2.C and 2.E) (we do not deliver or install any furniture, fixtures, equipment, or other items in your Center);
- 3) provide Required Training for two people (Franchise Agreement, Section 3.A);
- 4) provide consulting services (Franchise Agreement, Section 3.D); and
- 5) provide access to our Operations Materials (Franchise Agreement, Section 3.E).

***Post-Opening Obligations***

During the operation of your Center, we will:

- 1) provide plans and written specifications for all required Operating Assets and lists of approved suppliers or vendors (Franchise Agreement, Sections 2.C and 2.E) (we do not deliver or install any furniture, fixtures, equipment, or other items in your Center);
- 2) provide additional training if you engage us to do so and you pay our then-current training fee (Franchise Agreement, Section 3.B);
- 3) provide refresher training, if required by us (Franchise Agreement, Section 3.C);
- 4) provide consulting services if you engage us to do so and you pay our then-current hourly rate (Franchise Agreement, Section 3.D);
- 5) provide access to our Operations Materials, as well as any modifications to reflect changes in System Standards (Franchise Agreement, Section 3.E);

- 6) allow you to use the Marks on the terms in your Franchise Agreement (Franchise Agreement, Section 5); and
- 7) inspect your Center to ensure compliance with the Franchise Agreement, which requires your completion of requested documentation (Franchise Agreement, Section 10).

We do not assist you with establishing prices for products and/or services your Center provides. It is expected that Alive Centers will not charge for the Services.

#### Site Selection and Opening of Your Center.

You must, at your own expense, locate and propose to us a potential location for your Center. We will approve or disapprove a location based on factors such as proximity to schools, traffic count, accessibility, parking, visibility, and the safety of the premises. We must approve the proposed location before you sign the Franchise Agreement. If we recommend or give you information regarding a site for the location of your Center, our recommendation indicates only that we believe that the site meets our then-acceptable criteria. You may operate your Center only at the approved location and you must receive our permission to relocate. We do not typically own or lease the premises to you.

The typical length of time between signing the Franchise Agreement and opening an Alive Center is between 6 and 9 months. Factors that affect the time to open an Alive Center includes capital improvement, renovation of the premises, and hiring of staff. You will do everything required to develop and be prepared to open your Center for regular business as soon as possible but, in no event, later than 12 months after you and we sign the Franchise Agreement (the “Opening Deadline”). If you fail to open your Center by the Opening Deadline, we may terminate the Franchise Agreement and retain the entire franchise fee.

#### Advertising and Promotion Programs.

We have no obligation to advertise Alive Centers. However, if we choose to advertise Alive Centers, we may (i) use any form of media with local, regional, or national coverage, and (ii) create such marketing materials in-house or outsource this task to an outside advertising agency. We have no obligation to spend any amount on advertising Alive Centers in the area or territory where your Center is located.

All of your advertising, promotional, and marketing materials that use the Marks must conform to the guidelines provided in the Operations Materials or otherwise in writing. Should any of your advertising, promotional, or marketing materials not conform to the guidelines in the Operations Materials, you must send us samples for our approval before you use them. We will provide you with written approval or disapproval within 30 days; however, if you do not receive approval, such samples will be deemed disapproved. You may not use any advertising, promotional, or marketing materials that contain the Marks that we have disapproved. You will have five days after receipt of our notice of disapproval to withdraw and discontinue use of any disapproved materials.

There is no advertising council that advises us on advertising policies, no requirement for franchisees to contribute to a local or regional advertising cooperative, and no requirement for franchisees to participate in an advertising fund.

#### *Online Presence*

The term “Online Presence” means any website, domain name, homepage, e-mail address, social media account, username, other online presence or presence on any electronic, virtual, or digital medium

of any kind. You may not establish any Online Presence related to the Marks, nor may you offer, promote, or provide any products or services, or make any use of the Marks, through any Online Presence without our prior written approval. As a condition to granting any consent, we will have the right to establish any requirement that we deem appropriate, including a requirement that your only Online Presence will be through one or more web pages that we establish on our Online Presence.

You must develop and maintain Online Presences only in accordance with our guidelines. Unless we specify otherwise, we will own the rights to each Online Presence that uses the Marks. At our request, you will (i) grant us access to each such Online Presence, (ii) take whatever action (including signing an assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence, and (iii) provide information as we may reasonably request to accurately promote your Center on our webpage. Further, you must (i) list your Center in any online directories as we periodically prescribe; (ii) include, on the website for your Center, a link to our webpage ([www.alivecenter.org](http://www.alivecenter.org)); (iii) establish any other Online Presence we require; and (iv) prepare and link a privacy policy to each Online Presence, which must comply with all applicable laws, the System Standards, and other terms and conditions that we may prescribe in writing.

### *Grand Opening Marketing*

We will require you to spend at least \$1,000 on a grand opening marketing program for your Center to take place on the dates we and you jointly agree upon before and after your Center opens. You must use the media, materials, programs, and strategies we develop or approve in connection with the grand opening marketing program. All grand opening expenditures are subject to our approval.

### Computer Hardware and Software.

You must obtain and use specified integrated computer hardware and/or software that meet our System Standards (the “Computer System”). Currently, the Computer System requires the use of certain types of software, including cloud storage software, accounting software, recreation management software, texting service software, social media management software, graphic design software, volunteer management and event planning software, branding and web development software, and self-service ticketing software. We may modify specifications for, and components of, the Computer System.

The Computer System will enable you to collect and manage information about your Center’s participants. We will have independent access to the information and data collected and/or generated by your Computer System. There are no restrictions on our right to access that information and data.

Other than RecDesk, which is the exclusive supplier of certain application software that will be used in the operation of your Center, we currently do not require that you purchase the Computer System from suppliers we designate, though we may do so in the future. We estimate that the cost to acquire the Computer System will be \$6,500 to \$20,810. We also estimate that the annual cost of any optional or required software maintenance, updating, or upgrading will be \$5,000 to \$16,810. We have no contractual obligation to provide ongoing maintenance, repairs, upgrades, or updates to the computer system.

We may require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for your Computer System. You must implement such changes to the computer system within 90 days after receiving notice from us. There are no contractual limitations on the frequency and cost of this obligation.

Operations Materials.

To facilitate the training and guidance we provide and to assist you in developing and operating your Center, we will provide you with electronic access to certain guidelines and other written materials applicable to the development and operation of Alive Centers (the “Operations Materials”). The Operations Materials contain important information regarding System Standards and may contain materials that are customizable to your Center. We may periodically modify the Operations Materials to reflect changes in System Standards. Our current Operations Materials have 1,066 pages. We have provided the table of contents as Exhibit D.

Training Program.

Not later than 60 days prior to the opening of your Center, two of your personnel who oversee Center operations shall have completed, to our reasonable satisfaction, initial training on the material aspects of operating an Alive Center, currently provided through our Come Alive Training Academy (the “Required Training”). The Required Training is provided to two people for no additional charge. Certain modules of the Required Training must also be completed by all full-time staff that are involved in teen programming, even if not involved in Center operations.

We offer classroom training and on-the-job training at our headquarters (currently, Naperville, Illinois). We may periodically modify the Required Training. The Required Training classes are not held on a regular schedule. We will schedule the Required Training based on your and our availability and the projected opening date for your Center. The Required Training may use Operations Materials, learning management software, modules, a course workbook, and/or other written materials as training materials. If you or your representatives fail to complete the Required Training to our satisfaction, we may terminate the Franchise Agreement.

As of the date of this Disclosure Document, we provide the following Required Training:

**TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Working with Teens	2	4	Naperville, Illinois
Teen Drop-In	3	4	Naperville, Illinois
History of the Alive Center and Key Values	2	0	Naperville, Illinois
Successful Teen Advisory Board	3	4	Naperville, Illinois
Alive Teen Initiate Programs	2	4	Naperville, Illinois
<b>TOTAL</b>	<b>12</b>	<b>16</b>	<b>Naperville, Illinois</b>

Training is conducted and supervised by (i) Kandice Henning, who has 17 years of experience in the subjects taught and has ten years of experience with Parent and us; (ii) Amy Logan, who has 35 years of experience in the subjects taught and has two years of experience with Parent and us; (iii) Alex Anderson, who has 24 years of experience in the subjects taught and has two years of experience with Parent and us; (iv) Becky Pundy, who was twelve years of experience in the subjects taught and has one

year of experience with Parent and us; and (v) Ady Sepulveda who has eight years of experience in the subjects taught and has six years of experience with Parent and us.

Additionally, during the term of the Franchise Agreement, you may engage us and our staff to provide additional training to your new personnel, subject to your payment of our then-current training fee. We may also require refresher training courses during the term of the Franchise Agreement. If we require refresher training, it will be subject to your payment of our then-current training fee. You are responsible for any and all expenses incurred by you and your personnel in connection with all training programs, including, without limitation, the costs of travel, lodging, meals, and applicable wages.

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

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, so long as you are in compliance with the Franchise Agreement, we will not operate an Alive Center or offer the Services (i) within a five mile radius of your Center if it is located in an area with less than 8,000 residents per square mile, and (ii) within a three mile radius of your Center if it is located in an area with 8,000 or more residents per square mile. The Franchise Agreement grants you the right to operate your Center at a single location that you select and we approve. You must receive our permission to relocate. We may condition our approval of the relocation of your Center on your compliance with the Franchise Agreement at the time of your request to relocate and the proximity of the new location to other Alive Centers. You are allowed to promote your Center anywhere and through any channel of distribution, but you may not provide the Services outside your Center including through channels of distribution such as the Internet, catalog sales, telemarketing, or other direct marketing, without our written consent.

We and our Parent and affiliates reserve all rights that are not expressly granted to you under the Franchise Agreement, including the right to do any of the following (and you are not permitted to exercise any of the following rights):

- 1) acquire and operate, and allow others to acquire and operate, one or more businesses offering services which are identical or similar to the services offered by Alive Centers, and/or franchising, licensing, or creating similar arrangements with respect to these businesses using any trademark or service mark (other than the Marks), wherever these businesses (or the franchise owners or licensees of these businesses) are located or operating;
- 2) be acquired (whether through acquisition of assets, ownership interests, or otherwise, regardless of the form of transaction), by a business providing services similar to those provided by Alive Centers, or by another business; and
- 3) market and sell, and grant to others the right to market and sell, at any location, both within and outside the Protected Territory, products and services that are authorized to be provided from Alive Centers through alternative channels of distribution (like mail order, the Internet, e-commerce and catalog sales, telemarketing, and product lines in other businesses) using the Marks or other trademarks and commercial symbols.


We are not required to compensate you for exercising any of the above rights inside or outside your Protected Territory.

The Franchise Agreement grants you no options, rights of first refusal, or similar rights to acquire additional franchises.

We do not operate or franchise, and currently have no plans to operate or franchise, a business under different trademarks providing services similar to those offered at Alive Centers. However, as disclosed in Item 1, Parent offers a certification program in which organizations operate under their own trademarks, service marks, trade names, and commercial symbols alongside the use of “Alive Teen-Led, Teen-Driven Certified” as a secondary trademark. Organizations operating under the certification program supplement their existing programs with certain limited components of the Business Model. Therefore, those organizations may provide the same services as those offered under this Disclosure Document and may overlap in the area or territory where your Center is located. If a conflict arises between any organization operating under the certification program and any Center operated or franchised by us or Parent, we will analyze the conflict and take any action or no action as we deem appropriate. Parent shares our principal business address. We also share corporate office space and training facilities with Parent.

**ITEM 13**  
**TRADEMARKS**

Alive Centers operate under the Marks. The following table sets forth the status of applications filed with the United States Patent and Trademark Office (“USPTO”) on the Principal Register of the principal Marks licensed to you.

Mark	Application Number	Application Date
ALIVE	98381802	January 30, 2024
	98381806	January 30, 2024
TEEN-LED, TEEN-DRIVEN	98381796	January 30, 2024

We do not yet have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We license the Marks from Parent, which owns all rights to the Marks, pursuant to a Trademark License Agreement dated November 1, 2024 (the “License Agreement”). The term of the License Agreement will continue for 99 years from its effective date unless terminated. The License Agreement may be terminated (resulting in the loss of our right to use and to sublicense the use of the Marks to you) by mutual agreement of the parties, or by Parent for a number of reasons, including if we default on any obligations, we are dissolved, make an assignment for the benefit of creditors, become insolvent, consent to appointment of a receiver, our business is seized, or the parties cease to maintain the parent/subsidiary relationship. All rights in and goodwill from the use of the Marks accrue to Parent. Except as described above, no agreement significantly limits our rights to use or sublicense the Marks in a manner material to the franchise. We are not aware of any superior right or infringing uses that could materially affect your use of the Marks.

There are currently no effective material determinations of the USPTO, Trademark Trial and Appeal Board, any state trademark administrator, or any federal or state court, nor are there any pending infringement, opposition, or cancellation proceedings, or pending material litigation involving the Marks. All required renewals and affidavits for the Marks listed above have been filed, as applicable.

Your right to use the Marks comes only from the Franchise Agreement and is limited to the operation of your Center in compliance with the Franchise Agreement. Your use of the Marks and any goodwill established by that use are exclusively for our and our Parent's and affiliates' benefit, and your Franchise Agreement does not confer upon you any goodwill or other interest in the Marks (other than the right to use them in strict adherence to the Franchise Agreement). You must never contest the validity or ownership of any of the Marks or components of the System or help anyone else to do so.

You must not use any of the Marks or portion of any Mark as part of a corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs, or symbols or in any modified way. You must not use any of the Marks in selling or providing any unauthorized products or services, as part of any Online Presence (except as set forth in the Operations Materials or otherwise in writing by us), or in any way not expressly authorized by us in writing. Additionally, you must not use any of the Marks in connection with any advertisement to transfer, sell, or otherwise dispose of your Center, an ownership interest in you, or your Center's assets, without our prior written consent. You must obtain fictitious or assumed name registrations as required by applicable law.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and you may not communicate with any person other than us, our Parent and affiliates, our attorneys, and your attorneys, regarding any such infringement, challenge, or claim. We and our Parent and affiliates may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other legal or administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You must sign any documents and take any other reasonable action that, in the opinion of our and our Parent's and affiliates' attorneys, are necessary or advisable to protect and maintain our and our Parent's and affiliates' interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our and our Parent's and affiliates' interests in the Marks. We will reimburse you for your costs of taking any action that we and our affiliates ask you to take.

We will reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under the Franchise Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we and our Parent and affiliates may defend and control the defense of any proceeding arising from your use of any Mark under the Franchise Agreement.

If at any time it becomes advisable for us to modify or discontinue using any Mark or to use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time determined by us after receiving written notice from us. We need not reimburse you for complying with our directions in that regard, for any loss of revenue due to any modified or discontinued Mark, or for your expenses promoting a modified or substitute Mark.

#### **ITEM 14**

#### **PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

We do not own any patents or patent applications that are material to the franchise.

We and our Parent and affiliates claim statutory and common law copyright protection for the Operations Materials and for any other written materials we develop to assist you in the development and operation of your Center. There are no determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition, or cancellation proceedings or material litigation involving the copyrighted materials which are relevant to their use by our franchisees. No agreements limit our right to use or license the use of our copyrighted materials. We are not obligated under any agreement to protect or defend our copyrights, although we intend to do so. We do not know of any infringing uses of or superior rights in our copyrighted materials.

We need not protect or defend our copyrighted works. We may control any action involving copyrighted works, even if you voluntarily bring the matter to our attention. We need not participate in your defense nor indemnify you for damages or expenses in a proceeding involving the copyrighted works.

If at any time it becomes advisable for us to modify or discontinue using any copyrighted work or to use one or more additional or substitute copyrighted work, you must comply with our directions within a reasonable time determined by us after receiving written notice from us. We need not reimburse you for complying with our directions in that regard, for any loss of revenue due to any modified or discontinued use of any copyrighted work, or for your expenses promoting a modified or substitute copyrighted work.

We and our Parent and affiliates have developed and may continue to develop confidential information for the operation of a Center, including: site selection criteria; the Operations Materials; the System Standards; market research, promotional, and marketing programs for Alive Centers; and knowledge of operating results of Alive Centers. The confidential information includes our and our Parent's and affiliates' trade secrets. We disclose it to you on the condition that you do not use the information in any other business, or in violation of the Franchise Agreement, during and after the term of the franchise, that you not make unauthorized copies of any portion of the information, and that you implement all procedures we require to prevent unauthorized use or disclosure of the information. We may require you to have your employees, agents, and contractors execute a confidentiality agreement and shall have the right to regulate the form of and to be a party to or third-party beneficiary under any such agreements with independent enforcement rights.

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

If you are a legal entity or government agency, you must identify an individual who will have the authority to manage your Center (the "Manager"). You (or your Manager) must devote your (or his or her) full-time to the on-premises supervision of the Center and supervise the day-to-day operations of your Center. You must diligently perform all your obligations under the Franchise Agreement and exert your best efforts to promote your Center.

Your Manager (or any replacement Manager) must successfully complete our training program. Any of your Center's employees who will have access to our confidential and proprietary information or who will participate in our training programs must sign a confidentiality agreement. You (and your directors, if you are a legal entity, nor any of your or their immediate family members) may not have direct or indirect ownership in a competitive business or perform services for a competitive business.

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

You may not offer, provide, or sell any products or services from your Center that we have not approved. You must offer and provide all products and services that we require to be offered and provided at Alive Centers. You must discontinue selling, offering and providing any products or services that we disapprove at any time. We may change the types of products and services required or permitted to be offered and provided at Alive Centers on reasonable written notice to you and there are no limits on our right to do so. We do not restrict the customers to whom you may offer and provide approved products and services. You must offer the Services at your Center free of charge (unless otherwise approved by us in writing).

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

**THE FRANCHISE RELATIONSHIP**

The following tables list certain important provisions of the Franchise Agreement. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 1.B	Five years.
b. Renewal or extension of the term	Section 12.A	If you are in substantial compliance with the Franchise Agreement, you may acquire a successor franchise for one additional term of five years (or, if shorter, until the expiration or termination of your right to possess the location of your Center).
c. Requirements for franchisee to renew or extend	Section 12.A	You must: give not less than 180 days' and not more than 270 days' notice; take all steps to bring your Center into full compliance with our then-current System Standards; not be in breach of any agreement with us; pay our then-current successor franchise fee; meet our then-applicable requirements for approval of new franchisees; have right to remain in possession of the premises; executed our then-current Franchise Agreement and general release (unless prohibited by law); and remain in compliance with all provisions of the Franchise Agreement. The then-current Franchise Agreement may contain terms and conditions materially different from those in your previous Franchise Agreement, such as different fee requirements. We will be under no obligation to grant you a successor franchise if, at the time of renewal, we are not granting franchises for Alive Centers in your state.

Provision	Section in Franchise Agreement	Summary
d. Termination by franchisee	Section 13.A	If you are fully complying with the Franchise Agreement and we materially fail to comply with the Franchise Agreement and do not (i) correct the failure within 30 days after you deliver written notice of the material failure to us, or (ii) if we cannot correct the failure within 30 days and fail to give you, within 30 days after your notice, reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate the Franchise Agreement effective an additional 30 days after you deliver to us written notice of termination. Any other termination by you is deemed a termination without cause and a breach of the Franchise Agreement.
e. Termination by franchisor without cause	Section 13.B	We may terminate the Franchise Agreement at any time for any reason or no reason upon 30 days' prior written notice to you.
f. Termination by franchisor with cause	Section 13.B	We may terminate only if you or your owners commit one of several violations, including for your failure to cure defaults within the applicable cure period (if any) under the Franchise Agreement.
g. "Cause" defined - curable defaults	Section 13.B	Under the Franchise Agreement, you have: 10 days to cure failure to maintain required insurance; 10 days to cure monetary defaults; 72 hours to cure violation of any law, ordinance, rule or regulation; and 30 days to cure operational defaults and other defaults not listed in (h) below.
h. "Cause" defined - non-curable defaults	Section 13.B	Non-curable defaults under the Franchise Agreement include: material misrepresentations or omissions; failure to commence operating your Center by the Opening Deadline; failure to satisfactorily complete Required Training; conviction of a felony; dishonest or unethical conduct which may adversely affect the goodwill of the Marks; unapproved transfers; your unauthorized use or disclosure of Confidential Information; repeated defaults (even if cured); your insolvency; your bankruptcy; your failure to comply with anti-terrorism laws; and failure to cure defaults under any other agreements with us within the applicable cure period, if any.
i. Franchisee's obligations on termination / non-renewal	Section 14	Under the Franchise Agreement, you must: pay us all amounts owed to us and our affiliates; cease operating your Center and using the Marks; de-identify the business; cease using and return all Confidential Information; cancel all fictitious or assumed names; cease using or operating any Online Presence, telephone numbers, facsimile numbers, classified and online directory listings, and any other type of contact information used in the operation or promotion of your Center; comply with confidentiality requirements and post-termination non-competition covenants; and provide us with evidence satisfactory of your compliance with all obligations.
j. Assignment of contract by franchisor	Section 11.A	No restriction on our right to assign.

Provision	Section in Franchise Agreement	Summary
k. "Transfer" by franchisee - definition	Not Applicable	Not Applicable.
l. Franchisor's approval of transfer by franchisee	Section 11.B	You may not transfer or assign any of your rights, duties, or the Franchise Agreement without our prior written approval.
m. Conditions for franchisor approval of transfer	Section 11.B	You may not transfer or assign any of your rights, duties, or the Franchise Agreement without our prior written approval.
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable.
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable.
p. Death or disability	Not Applicable	Not Applicable.
q. Non-competition covenants during the term of the franchise	Section 7	<p>Neither you, any of your directors, nor any of your or your directors' immediate family members will: (i) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than 5% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section); (ii) perform services as a director, officer, manager, employee, consultant, lessor, representative, or agent for a Competitive Business, wherever located or operating; or (iii) engage in any other activity which might injure the goodwill of the Marks.</p> <p>The term "Competitive Business" means: (i) any business offering teen empowerment programs through a mentorship model under a different trademark or service mark or operating a center similar to your Center, or (ii) any business granting franchises or licenses to others to operate the type of businesses specified in subparagraph (i) (other than a business operated under an agreement with us). We may periodically change the products and services that you are authorized to provide and, therefore, you may be restricted from engaging in certain business activities in the future involving the offer and sale of products and services which are not currently offered in connection with the Business Model.</p>

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 14.D	Upon termination or expiration of the Franchise Agreement, for one year beginning on the effective date of termination or expiration or the date on which all persons restricted begin to comply, whichever is later, neither you nor any of your directors will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, lessor, or agent, or perform any services in any capacity (including each of the foregoing) in any Competitive Business located or operating from the Center or within a 5-mile radius of your Center. Further, upon termination or expiration of the Franchise Agreement and for a period of two years beginning on the effective date of termination or expiration or the date on which all restricted persons begin to comply, whichever is later, neither you nor any of your directors will have any direct or indirect interest as a franchisor or licensor of a Competitive Business located or operating anywhere in the United States.
s. Modification of the agreement	Section 16.J	No modifications except in writing, but we may change the Operations Materials and System Standards.
t. Integration/merger clause	Section 16.L	Only the written terms of the Franchise Agreement and other related written agreements are binding. Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 16.E	We and you must arbitrate all disputes at a location in or within 50 miles of our principal place of business (currently Naperville, Illinois).
v. Choice of forum	Section 16.G	Subject to applicable law, all controversies, disputes, or claims must be commenced in the state where our current principal place of business is located (currently Naperville, Illinois).
w. Choice of law	Section 16.F	Subject to applicable law, the Franchise Agreement will be construed, and all disputes related to or arising in connection with the Franchise Agreement will be resolved, in accordance with Illinois law.

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

We do not use any public figure to promote this franchise.

**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.

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. 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 Kandice Henning, Alive Center Franchising LLC, 500 West 5th Avenue, Naperville, Illinois 60563; phone: (630) 778-6093, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

**Table No. 1**  
**Systemwide Outlet Summary**  
**For years 2022 to 2024<sup>1</sup>**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned <sup>2</sup>	2022	2	3	+1
	2023	3	3	0
	2024	3	3	0
<b>Total Outlets</b>	<b>2022</b>	<b>2</b>	<b>3</b>	<b>+1</b>
	<b>2023</b>	<b>3</b>	<b>3</b>	<b>0</b>
	<b>2024</b>	<b>3</b>	<b>3</b>	<b>0</b>

- 1 Each of the years reflected in tables 1 to 4 of this Item 20 are calendar years, each ending December 31 of the applicable year.
- 2 These Centers include locations that are owned and operated by our Parent.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2022 to 2024**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
All States	2022	0
	2023	0
	2024	0
<b>Total</b>	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>
	<b>2024</b>	<b>0</b>

**Table No. 3**  
**Status of Franchise Outlets For years 2022 to 2024**

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
All States	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
<b>Total</b>	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For years 2022 to 2024<sup>1</sup>**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Illinois	2022	2	1	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
<b>Total</b>	<b>2022</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
	<b>2023</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
	<b>2024</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>

1 These Centers include locations that are owned and operated by our Parent.

**Table No. 5**  
**Projected Openings as of December 31, 2024 for 2025**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Illinois	0	1	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>0</b>

As of December 31, 2024, we do not have any current franchisees, nor do we have any former franchisees. If you buy this franchise, your contact information may be disclosed to other buyers while you are a franchisee and when you leave the franchise system.

During the last 3 fiscal years, we have not had any franchisees, so no franchisee has signed confidentiality clauses that restrict it from discussing with you their experiences as a franchisee in our franchised system. There are no trademark-specific franchisee organizations representing Alive franchisees.

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

We are a start-up franchise system and have not been in business for three years or more and cannot include all financial statements required by the FTC Franchise Rule. Our audited financial statements for the fiscal year ended December 31, 2024 are attached as Exhibit C to this Disclosure Document. Our fiscal year-end is December 31 each year.

**ITEM 22**  
**CONTRACTS**

The following contracts are attached as exhibits to this Disclosure Document:

- Exhibit B – Franchise Agreement
- Exhibit A to Franchise Agreement – Location, Territory, and Management
- Exhibit E – Sample General Release
- Exhibit F – State Riders and Addenda

**ITEM 23**  
**RECEIPTS**

Exhibit G includes two copies of a detachable receipt acknowledging your receipt of this disclosure (one copy is for you and the other is to be signed by you and given to us).

**EXHIBIT A**

**STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

**STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

Listed here are the names, addresses, and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of these states.

**CALIFORNIA**

Department of Financial Protection & Innovation:

Toll Free: 1 (866) 275-2677

***Los Angeles***

Commissioner of Financial Protection & Innovation

320 West 4<sup>th</sup> Street  
Suite 750

Los Angeles, California 90013  
(213) 576-7500

***Sacramento***

Commissioner of Financial Protection & Innovation

2101 Arena Blvd.  
Sacramento, CA 95834

(916) 445-7205

***San Diego***

Commissioner of Financial Protection & Innovation

1455 Frazee Road, Suite 315  
San Diego, California 92108  
(619) 610-2093

***San Francisco***

Commissioner of Financial Protection & Innovation

One Sansome Street, Suite 600  
San Francisco, California 94104-4428  
(415) 972-8559

**HAWAII**

(state administrator)

Business Registration Division  
Securities Compliance Branch

Department of Commerce  
and Consumer Affairs

P.O. Box 40  
Honolulu, Hawaii 96810  
(808) 586-2722

**ILLINOIS**

Franchise Bureau  
Office of the Attorney General

500 South Second Street  
Springfield, Illinois 62706  
(217) 782-4465

**INDIANA**

(state administrator)

Indiana Secretary of State  
Securities Division, E-111

302 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6681

**MARYLAND**

(state administrator)

Office of the Attorney General  
Securities Division

200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

**MICHIGAN**

(state administrator)

Michigan Attorney General’s Office  
Consumer Protection Division  
Attn: Franchise Section  
G. Mennen Williams Building, 1<sup>st</sup> Floor  
525 West Ottawa Street  
Lansing, Michigan 48909  
(517) 373-7177

**MINNESOTA**

(state administrator)

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

**NEW YORK**

(state administrator)

NYS Department of Law  
Investor Protection Bureau  
28 Liberty St. 21<sup>st</sup> Fl  
New York, NY 10005  
(212) 416-8236 Phone  
(212) 416 – 6042 Fax

**NORTH DAKOTA**

(state administrator)

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol - Fourteenth Floor, Dep’t 414  
Bismarck, North Dakota 58505-0510  
(701) 328-4712

**OREGON**

Department of Business Services  
Division of Financial Regulation  
350 Winter Street, NE, Room 410  
Salem, Oregon 97310-3881  
(503) 378-4387

**RHODE ISLAND**

Department of Business Regulation  
Division of Securities  
John O. Pastore Complex Building 69-1  
1511 Pontiac Avenue  
Cranston, Rhode Island 02920  
(401) 462-9645

**SOUTH DAKOTA**

Division of Insurance  
Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501  
(605) 773-3563

**VIRGINIA**

(state administrator)

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

**WASHINGTON**

(state administrator)

Washington Department of Financial Institutions  
Securities Division  
P.O. Box 41200  
Olympia, Washington 98504-1200  
(360) 902-8760

**WISCONSIN**

(state administrator)

Securities and Franchise Registration  
Wisconsin Department of Financial Institutions  
4022 Madison Yards Way, North Tower  
Madison, Wisconsin 53705  
(608) 266-1064

**EXHIBIT B**

**FRANCHISE AGREEMENT**

**ALIVE CENTER FRANCHISING LLC**

**FRANCHISE AGREEMENT**

\_\_\_\_\_  
**FRANCHISEE**

\_\_\_\_\_  
**DATE OF AGREEMENT**

\_\_\_\_\_  
**BUSINESS ADDRESS**

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**EXHIBITS**

EXHIBIT A    Location, Territory, and Management

**ALIVE CENTER FRANCHISING LLC**  
**FRANCHISE AGREEMENT**

This **FRANCHISE AGREEMENT** (this “**Agreement**”) is made and entered into as of \_\_\_\_\_ (the “**Effective Date**”) by and between **ALIVE CENTER FRANCHISING LLC**, an Illinois limited liability company, with its principal business address at 500 West 5<sup>th</sup> Avenue, Naperville, Illinois 60563 (“**we**,” “**us**,” or “**our**”), and \_\_\_\_\_, a(n) \_\_\_\_\_, with its principal business address at \_\_\_\_\_ (“**you**” or “**your**”).

**1. PREAMBLES AND GRANT OF FRANCHISE.**

**A. PREAMBLES.**

(1) We are an organization that aims to provide innovative programming that allows youth, free of charge, to explore their own creativity and talents through a variety of experiences resulting in empowerment through discovery, leadership, belonging, and resiliency (the “**Business Model**”).

(2) The Business Model is currently identified by the trademark “Alive™” (together, with such other trademarks, service marks, trade names, and commercial symbols we periodically designate, the “**Marks**”) and is offered at locations we refer to as “**Alive Centers**.” The Business Model is developed and offered using certain values, principles, business formats, methods, procedures, designs, layouts, standards, and specifications, each of which we may replace, further develop, or otherwise modify or discontinue from time to time (collectively, the “**System**”).

(3) The Business Model currently includes the Teen Drop-in Program (as defined below), the Teen Initiated Program (as defined below), and the Teen Advisory Board (as defined below), and together with the Teen Drop-in Program, the Teen Initiated Program, and any additional services that we approve to be authorized by Alive Centers are herein referred to as the “**Services**”).

(4) We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate an Alive Center offering the Services and using our Marks and the System.

(5) You have requested that we grant you a franchise to operate an Alive Center, and we are willing to grant you a franchise pursuant to the terms and conditions of this Agreement.

**B. GRANT OF FRANCHISE.**

Subject to the terms of this Agreement, we grant you a franchise to operate an Alive Center at the specific address and location identified on Exhibit A (your “**Center**”). The term of this Agreement shall begin on the Effective Date and expire five (5) years from the Effective Date, unless sooner terminated as provided herein (the “**Term**”). You agree to (i) offer the Services at your Center free of charge (except as otherwise approved by us in writing), (ii) not provide the Services to any customers outside your Center, and (iii) faithfully, honestly, and diligently perform your obligations under this Agreement and to use your best efforts to promote your Center.

C. **GOVERNMENT AGENCIES AND NOT-FOR-PROFIT ORGANIZATIONS.**

You agree and represent that:

- (1) You will have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your chartering or formation;
- (2) You shall not use any Mark as part of your entity name;
- (3) Your Center and other Alive Centers, if applicable, will be the only business(es) you operate (although your directors may have other, non-competitive business interests); and
- (4) You must identify on Exhibit A an individual who will have the authority to manage your Center (the “**Manager**”). You must obtain our written consent prior to changing the Manager, and agree to deliver to us a revised Exhibit A to accurately identify the Manager.

D. **EXCLUSIVITY AND RESERVATION OF RIGHTS.**

You acknowledge that we retain the right at all times during this Agreement to engage in any and all activities that we deem appropriate and are not expressly prohibited under this Agreement, wherever and whenever we desire, and whether or not such activities compete with your Center, including, without limitation, the right to: (1) offer and grant others the right to operate Alive Centers; (2) acquire and operate, and allow others to acquire and operate, one or more businesses offering services which are identical or similar to the services offered by Alive Centers, and/or franchising, licensing, or creating similar arrangements with respect to these businesses using any trademark or service mark (other than the Marks), wherever these businesses (or the franchise owners or licensees of these businesses) are located or operating; (3) be acquired (whether through acquisition of assets, ownership interests, or otherwise, regardless of the form of transaction), by a business providing services similar to those provided by Alive Centers, or by another business; and (4) engage in all other activities not expressly prohibited by this Agreement. However, so long as you are in compliance with this Agreement, we will not operate an Alive Center or offer the Services within the territory as described in Exhibit A (the “**Protected Territory**”).

2. **SITE SELECTION, BUSINESS DEVELOPMENT, AND OPENING DATE.**

A. **SITE SELECTION.**

We must approve the location of your Center and you may operate your Center only at the approved location. You must receive our permission to relocate. You acknowledge and agree that, if we recommend or give you information regarding a site for the location of your Center, it is not a representation or warranty of any kind, express or implied, of the site’s suitability for a Center or any other purpose. Our recommendation indicates only that we believe that the site meets our then acceptable criteria. Applying criteria that have appeared effective with other sites might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site or premises we recommend fails to meet your expectations. You acknowledge and agree that your acceptance of the franchise granted herein and selection of the site for your Center are based on your own independent investigation of the suitability of the site for your Center.

**B. OPENING DATE; TIME IS OF THE ESSENCE.**

You acknowledge that time is of the essence. You shall do everything required to develop and be prepared to open your Center as soon as possible but, in no event later than 12 months after the Effective Date (the “**Opening Deadline**”). The date your Center actually opens to the public is herein called the “**Opening Date**.” You will not open your Center for operation without our written authorization, and you will open for regular operation within five (5) days following the issuance of our written opening authorization. If the building where you intend to locate your Center was not built when this Agreement was executed, you may request one (1) 180-day extension of the Opening Deadline. Extensions will not be granted under any other circumstances. If you do not open your Center by the Opening Deadline, we may terminate this Agreement in accordance with Section 13.B.

**C. BUSINESS DEVELOPMENT.**

Within 90 days after the Effective Date, you must have, at your expense, obtained all sign and business permits, licenses, approvals, and any other consents, permits, and licenses necessary to lawfully operate your Center. However, if your Center will be new construction, you must have obtained the same within the later of 90 days after you commence construction of your Center or 90 days after the Effective Date. Additionally, you are solely responsible, at your expense, for ensuring that the buildout of your Center is done in compliance with our standards and specifications, including by meeting our trade dress and signage requirements as may be provided in the Operations Materials (as defined below). You acknowledge and agree that we may, periodically during the Term, require that your Center be brought into compliance with certain trade dress modifications and updates as they relate to Alive Centers. Such modifications may include, but are not limited to, the use of certain colors, designs, logos, and the like.

In an effort to maintain the high quality of Alive Centers you agree to maintain the overall condition and appearance of your Center and further agree to use in operating your Center only those products that we approve as meeting our specifications and standards for quality, design, appearance, function, and performance. You further agree that we will regulate all sign, emblems, lettering, logos, and display materials at your Center. You will only use those signs, emblems, lettering, logos, and display materials that we approve from time to time and that comply with our System Standards.

**D. THE SERVICES.**

As further described in the Operations Materials, the franchise granted to you under this Agreement provides access to and requires the offering of the Services, which currently includes our Teen Drop-in Program, Teen Initiated Program, and Teen Advisory Board. The “**Teen Drop-in Program**” is a program that focuses on health, well-being, and building a stronger sense of community and includes, but is not limited to, free after-school drop-in activities, mentoring, tutoring, clubs, life skills classes, leadership opportunities, study lounges, teen-only events, empowerment programs, and volunteer and job opportunities. The “**Teen Initiated Program**” is a Teen-Led, Teen-Driven™ program that allows teens to create and lead programs, workshops, camps, or other events based on their interests and passions. Finally, the “**Teen Advisory Board**” is a program that allows students to take on leadership roles in the offering of the Services. In offering each of the Services, you must be in strict compliance with the System Standards and any other written guidance and materials that we may provide to you from time to time. You must also comply with any changes to the Services, as we may periodically modify them, including removing any Services no longer offered and adding new Services as they may be introduced in the future.

E. **COMPUTER SYSTEM.**

You agree to obtain and use specified integrated computer hardware and/or software, as provided in our System Standards (the “**Computer System**”). We may require that you purchase part or all of the Computer System from the supplier we designate (which may be us or an affiliate). We may modify specifications for, and components of, the Computer System. You also agree to maintain all specified points of high-speed internet connection. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement’s remaining term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support, including service agreements for ongoing support. We have no obligation to reimburse you for any Computer System costs. Within 90 days after you receive notice from us of any changes to the Computer System, you agree to implement the changes to the Computer System that we designate and to ensure that your Computer System, as modified, is functioning properly.

3. **TRAINING AND CONSULTING SERVICES.**

A. **REQUIRED TRAINING.**

Before you begin operating your Center, we will provide you with training and guidance on the material aspects of operating an Alive Center, currently provided through our Come Alive Training Academy (the “**Required Training**”). You therefore agree as follows:

(1) Not later than 60 days prior to the Opening Date, two (2) of your personnel who oversee Center operations shall have completed, to our reasonable satisfaction, the Required Training, including classroom and module training. The Required Training is provided to two people for no additional charge. Certain modules of the Required Training must also be completed by all full-time staff that are involved in teen programming, but not involved in overseeing Center operations. We may use Operations Materials, learning management software, a course workbook, and/or other written materials as training materials. Although we do not currently, we may designate a third-party to provide portions of the Required Training. If you engage us and our staff to provide training to any additional or new personnel, you will pay us our then-current fee for each additional or new attendee. You are responsible for any and all expenses incurred by you and your other personnel in connection with the Required Training, including, without limitation, costs of travel, lodging, meals, and applicable wages.

(2) We will determine, in our reasonable discretion, whether your representatives have satisfactorily completed the Required Training. If you or your representatives fail to complete the Required Training to our satisfaction, we may terminate this Agreement.

B. **ADDITIONAL TRAINING.**

After completion of the Required Training by two of your personnel, you may engage us and our staff to provide training to your new personnel, subject to your payment of our then-current fee. You acknowledge that you are obligated to ensure that your employees are trained in accordance with our requirements and further acknowledge that if you cannot provide training to your employees, you must pay us to do so. You will be responsible for all expenses of your personnel attending the training programs, such as expenses for meals, lodging, and the like.

C. **REFRESHER TRAINING.**

During the Term, we may require you to attend certain refresher training (the “**Refresher Training**”). Refresher Training may include, but is not limited to, training on material changes to the System and the Services. If we require such Refresher Training, it will be subject to your payment of our then-current fee. You will also be responsible for all expenses of your personnel attending the Refresher Training, such as expenses for meals, lodging, and the like.

D. **CONSULTING.**

In addition to the training described in Sections 3.A to 3.C, we will also provide you with 120 hours of consulting services (the “**Consulting Services**”) during the first year following the Effective Date for no additional fee. The Consulting Services include, for example, providing guidance and coaching on the offering of the Services and assisting in staffing and forming a Teen Advisory Board. If you require or request additional Consulting Services during the Term, you will pay our then-current hourly rate for Consulting Services. Furthermore, you will be responsible for any and all expenses incurred by us and our personnel in connection with any additional Consulting Services you request, including, without limitation, our costs of travel, lodging, meals, and applicable wages that we and our personnel incur in connection with such additional Consulting Services.

E. **OPERATIONS MATERIALS.**

During the Term, we will provide you with electronic access to certain guidelines and other written materials applicable to the development and operation of your Center (the “**Operations Materials**”). We will determine the contents of the Operations Materials, the frequency in which they may be updated, and the manner and format in which they are delivered or made available to you. The Operations Materials may contain mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for developing, managing, and operating Alive Centers (“**System Standards**”). The Operations Materials may also contain materials that are customizable to your Center. You agree to comply with our System Standards. The Operations Materials may, from time to time, also contain information on suggested procedures and your other obligations under this Agreement. We may periodically modify the Operations Materials to reflect changes in System Standards.

4. **FEES AND PAYMENT OBLIGATIONS.**

A. **INITIAL FRANCHISE FEE.**

You shall pay to us, on execution of this Agreement, a nonrefundable initial franchise fee of \$40,000 (the “**Initial Franchise Fee**”). The Initial Franchise Fee is due in a lump sum and is fully earned by us when you sign this Agreement.

B. **MONTHLY FEE.**

In addition to the Initial Franchise Fee, you shall pay to us a monthly license fee of \$1,250 (the “**Monthly Fee**”) for the use of the Marks, the Business Model, the System, and other intellectual property licensed under this Agreement. The first payment of the Monthly Fee shall be due on the first of the month following the Opening Date, and each subsequent installment is payable on the first of each month thereafter.

C. **METHOD OF PAYMENT.**

You agree to pay any amounts you owe us by any means we periodically specify and whenever we deem appropriate. Currently, you authorize us to debit your designated bank account for all such amounts (the “**EFT Authorization**”). You agree to sign and deliver to us any documents we and your bank require for such EFT Authorization. Such EFT Authorization shall remain in full force and effect at all times this Agreement is in effect and for 30 days following its expiration or termination. If we permit you to pay using a method other than EFT, we may require payment of an alternative payment fee that is subject to change (currently, 3% per payment processed by credit card).

D. **LATE PAYMENTS.**

All amounts you owe to us for any reason will bear interest after their due date at one and a half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. We may debit your bank account automatically for such interest.

5. **INTELLECTUAL PROPERTY.**

A. **OWNERSHIP AND GOODWILL OF MARKS.**

Your right to use the Marks is derived solely from this Agreement and is limited to the operation of your Center according to this Agreement. Your unauthorized use of the Marks is a breach of this Agreement and infringes the rights of us and our parents and affiliates in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our benefit and the benefit of our parents and affiliates and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate your Center under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after the Term contest or assist any other person in contesting the validity of, or our rights to, the Marks.

B. **LIMITATIONS ON YOUR USE OF MARKS.**

You agree to use the Marks as the sole identification of the Center, except that you agree to identify yourself as its independent user in the manner we prescribe. You may not use any Mark: (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in providing or selling any disapproved services or products, (4) as part of any website, domain name, homepage, e-mail address, social media account, user name, other online presence or presence on any electronic, virtual, or digital medium of any kind (“**Online Presence**”), or otherwise in connection with a website, or (5) in any other manner that we have not expressly authorized in writing. You may not use any Mark in advertising the transfer, sale, or other disposition of your Center without our prior written consent. You agree to display the Marks prominently as we prescribe at your Center. You agree to give the notices of trademark and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

C. **ADVERTISING THAT CONTAINS THE MARKS.**

You agree that any advertising, promotion, and marketing that uses the Marks will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. All advertising, promotion, and marketing materials that use the Marks must conform to the guidelines as provided in the Operations Materials. Should any advertising, promotion, or marketing material not conform to the

guidelines in the Operations Materials, you must send us samples for our approval. We will provide you written approval or disapproval within 30 days; however, if you do not receive approval, such samples will be deemed disapproved. You may not use any advertising, promotional, or marketing materials that contain the Marks that we have disapproved. You will have five days after receipt of our notice of disapproval to withdraw and discontinue use of such disapproved materials.

Additionally, you must maintain copies of all advertising, promotion, and marketing materials that you use in connection with your Center, and you must produce such materials to us upon our request at any time. You must keep copies of all advertising, promotion, and marketing materials during the entire Term and for a period of two (2) years thereafter.

**D. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, claim, or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation, Patent and Trademark Office or other proceeding, or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

**E. DISCONTINUANCE OF USE OF MARKS.**

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing your Center's signs, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark. We may exercise these rights at any time and for any reason, or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

**F. INDEMNIFICATION FOR USE OF MARKS.**

We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

**6. CONFIDENTIAL INFORMATION.**

You and your personnel may from time to time be provided with and/or have access to information about the System and the operation of Alive Centers (including your Center), some of which constitutes trade secrets under applicable law (the “**Confidential Information**”), relating to developing and operating Alive Centers, whether or not marked confidential, including, but not limited to: (1) site selection criteria; (2) the Operations Materials; (3) the System Standards; (4) market research, promotional, and marketing programs for Alive Centers; (5) any computer software or similar technology which is proprietary to us;

(6) knowledge of the operating results and financial performance of Alive Centers other than your Center; and (7) Personal Information (as defined below).

You acknowledge and agree that you will not acquire any interest in the Confidential Information, other than the right to use it as we specify in operating your Center during the Term. All Confidential Information furnished to you by us or on our behalf, whether orally or by means of written material, is proprietary, and is disclosed to you only on the condition that you (and if you are an entity, your directors) agree to, and agree to cause your respective current and former family members, owners, officers, directors, agents, employees, representatives, spouses, affiliates, successors, and assigns to: (a) process, retain, use, collect, and disclose Confidential Information strictly (i) to the limited extent, and in such a manner, necessary for operating your Center in accordance with this Agreement, and not for any other purpose; and (ii) in accordance with the System Standards and any privacy policy we publish from time to time on our Online Presences, and our and our representatives' instructions; (b) keep each item deemed to be part of Confidential Information in strict confidence, both during the Term and then thereafter for as long as the item is not lawfully known to the public without violation of applicable law or an obligation to us or our affiliates, and not disclose, share, or otherwise provide access to such Confidential Information to any other person; (c) not make unauthorized copies of, or disclose or reveal to any other person, any Confidential Information disclosed via electronic, virtual, or digital medium or in written or other tangible form; (d) promptly notify us of any changes to your ability to meet your obligations under this Agreement or our privacy policies, or that may adversely affect our rights or obligations relating to Confidential Information; and (e) adopt and implement administrative, physical, and technical safeguards to protect and prevent unauthorized use or disclosure of Confidential Information, including, without limitation, by establishing reasonable security and access measures, and by restricting its disclosure to your key personnel and others who have a need to know such Confidential Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than your obligations hereunder, or to individuals or entities specifically authorized by us in advance. You agree to protect the Confidential Information from unauthorized use, access or disclosure in the same manner as you protect your own confidential or proprietary information of a similar nature and with no less than reasonable care. We reserve the right to require that any employee, agent, or independent contractor that you hire or engage for the Center execute a confidentiality agreement to protect the Confidential Information. We reserve the right to regulate the form of confidentiality agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights. You acknowledge that any form of confidentiality agreement that we approve for use by you, provide to you, or regulate the terms of, may or may not be enforceable in a particular jurisdiction. You agree that you are solely responsible for obtaining your own professional advice with respect to the adequacy of the terms and provisions of any confidentiality agreement that your employees, agents, and independent contractors sign.

Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time we disclosed it to you, already had lawfully become generally known through publication or communication by others (without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known through publication or communication by others (without violating an obligation to us).

You acknowledge and agree that, as between us and you, we are the sole owner of all right, title, and interest in and to any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to any Confidential Information, and all ideas, concepts, techniques, or materials relating to operating your Center, whether or not protectable intellectual property (collectively, "**Innovations**"), made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us and our parents and affiliates. All Innovations are our and our parent's and affiliates' sole and exclusive property and works made-for-hire for us and shall

constitute our Confidential Information. To the extent any Innovation does not qualify as a work made-for-hire, by this Section you assign ownership of that Innovation, and all related rights to that Innovation, to us and you agree to sign (and to cause your directors, employees, and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our parents and affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating your Center or otherwise without our prior, written approval.

## 7. **EXCLUSIVE RELATIONSHIP.**

You acknowledge that we have granted you the franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during the Term, neither you, any of your directors, nor any of your or your directors' immediate family members will: (i) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business (as defined below), wherever located or operating (except that equity ownership of less than 5% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section); (ii) perform services as a director, officer, manager, employee, consultant, lessor, representative, or agent for a Competitive Business, wherever located or operating; or (iii) engage in any other activity which might injure the goodwill of the Marks.

The term "**Competitive Business**" means: (i) any business offering teen empowerment programs through a mentorship model under a different trademark or service mark or operating a center similar to your Center, or (ii) any business granting franchises or licenses to others to operate the type of businesses specified in subparagraph (i) (other than a business operated under an agreement with us). You acknowledge that we may periodically change the products and services that you are authorized to provide and, therefore, you may be restricted from engaging in certain business activities in the future involving the offer and sale of products and services which are not currently offered in connection with the Business Model.

## 8. **BUSINESS OPERATIONS.**

### A. **CONDITION AND APPEARANCE OF YOUR CENTER.**

You agree that you will place or display at your Center (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, and display and marketing materials that we approve from time to time. You further agree to maintain, at your own expense, the condition and appearance of your Center in accordance with the System Standards and consistent with the image of Alive Centers as an efficiently operated business offering high quality products and services and observing the highest standards of cleanliness and efficient, courteous service. You must, at your expense, undertake all maintenance and make all repairs, replacements, alterations, and additions as may be required for that purpose.

### B. **PRODUCTS AND SERVICES THE BUSINESS OFFERS.**

You agree that you (1) will offer (and, if applicable, sell) from your Center the products and services that we periodically specify; (2) will not offer or sell at your Center any products or services we have not authorized; (3) will discontinue offering (and, if applicable, selling) any products or services that we at any time disapprove; and (4) will offer the Services at your Center free of charge (except as otherwise approved by us in writing).

C. **MANAGEMENT OF THE BUSINESS.**

Your Center shall be managed by you or, if you are an entity, by the Manager. You (or the Manager if you are an entity) agree to devote a full-time effort to your Center, to supervise the day-to-day operations of your Center, and continuously exert your best efforts to promote and enhance your Center.

D. **APPROVED PRODUCTS, SERVICES, AND SUPPLIERS.**

As part of our System Standards, we may require you to purchase some or all of the products, supplies, furniture, fixtures, signs, and Computer System (collectively, the “**Operating Assets**”) from suppliers we approve or designate, some of whom we might designate as the exclusive supplier of one or more Operating Assets. We will provide a list of approved and designated suppliers in the Operations Materials or otherwise in writing, if any. Currently, we do not require you to purchase or lease any products or service from us or any affiliates; however, we may do so in the future.

If we have designated or approved suppliers for any product or service and you desire to purchase, lease, or use those products or services from an unapproved supplier, you must submit to us a written request for approval. If you would like us to consider approving a supplier that has not been approved, the request must be submitted before you purchase any items or services from that unapproved supplier. We will notify you of our approval or disapproval of all proposed products, services, or suppliers in writing to you within a reasonable time, typically within 30 days after receipt of the information from you or from the proposed supplier. We do not charge for our review of proposed suppliers. We may revoke our approval of any supplier at any time and for any reason. We do not make our criteria for approving suppliers available to you.

E. **COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.**

You must secure and maintain in force throughout the Term all required licenses, permits, and certificates relating to your Center’s operation and operate your Center in full compliance with all applicable laws, ordinances, and regulations. You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders, and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided in Section 15.C pertain to your obligations hereunder. Additionally, you are required to perform a criminal background check prior to employing or engaging all individuals 18 years or older so you can determine the suitability of that individual to work in close proximity to children and young adults.

You agree to comply with and assist us in our compliance efforts with all applicable laws, regulations, executive orders (whether at the federal, state, or local level), including those related to anti-terrorist activities, the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury or other regulations. In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your Center as may be required by us or by law. You confirm that you are not listed in the Annex to Executive Order 13224 and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at <http://www.treasury.gov>).

Your Center must in all dealings with us, participants, and the public adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. You must promptly pay all taxes and fees levied and asserted on your Center and promptly satisfy any other indebtedness or liability to third-party vendors that you incur in operating your Center. You agree to refrain from any business or advertising practice which might injure our business, or the goodwill associated with the Marks.

F. **INSURANCE.**

During the Term, you must maintain in force at your sole expense business owners' coverage (including commercial general liability, cyber and privacy liability, crime, and property coverage in the amount of \$2,000,000 per occurrence), umbrella coverage, and workers' compensation in connection with operating your Center, and such other insurance policies that are customary and reasonable to protect your interest in your Center. We may periodically revise, or require, minimum amounts of coverage under these insurance policies and/or require different or additional insurance coverages at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Any liability coverage insurance policies must name us and any individuals that we designate as additional insureds, using a form of endorsement that we have provided or approved, and each insurance policy must provide for 30 days' prior written notice to us of a policy's material modification, cancellation, or expiration. You routinely must furnish us copies of your Certificate of Insurance or other evidence of your maintaining this insurance coverage and paying premiums.

G. **COMPLIANCE WITH SYSTEM STANDARDS.**

You acknowledge and agree that operating and maintaining your Center according to the System Standards is essential to preserve the goodwill of the Marks and the goodwill of all Alive Centers. Therefore, you agree at all times to operate and maintain your Center according to each and every System Standard, as we periodically modify and supplement them. Though we retain the right to establish and periodically modify and supplement the System Standards which you have agreed to maintain in the operation of your Center, you retain the right and sole responsibility for the day-to-day management and operation of your Center and the implementation and maintenance of the System Standards at your Center. System Standards may regulate any aspect of your Center's operation and maintenance, including, but not limited to, any one or more of the following: (1) marketing and promotional programs, materials, and media; (2) staffing levels for your Center and employee qualifications, training, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, and working conditions); (3) use and display of the Marks; (4) days and hours of operation; (5) bookkeeping, accounting, data processing, and record keeping systems and forms; (6) formats, content, and frequency of reports generated to us; and (7) any other aspects of operating and maintaining your Center that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Alive Centers.

You agree that the System Standards, whether prescribed in the Operations Materials or otherwise communicated to you in writing or another form, are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified.

H. **CENTER NUMBERS, LISTINGS, AND INTERNET ACCOUNTS.**

You acknowledge and agree that as between you and us, we have the sole rights to, and interest in, all telephone numbers, facsimile numbers, classified and online directory listings, and any other type of contact information that you use in the operation or promotion of your Center or that is associated with your Center ("**Contact Identifiers**") and Online Presences. Upon the termination or expiration of this Agreement, you agree to transfer, assign, or otherwise convey to us full control of all Contact Identifiers and Online Presences that you used to operate your Center or that displays any of the Marks or any reference to Alive Centers, in addition to any information collected by or stored within operating systems. Notwithstanding the foregoing, you agree that all liabilities and obligations arising from any such Contact Identifiers, Online Presence, or any operating systems prior to the date of the transfer, assignment, or conveyance to us will remain your sole responsibility in all respects, and any costs we incur in connection therewith will be indemnifiable under Section 15.C. You irrevocably appoint us, with full power of

substitution, as your true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing.

I. **INFORMATION SECURITY.**

You must implement all administrative, physical, and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers, etc. (“**Personal Information**”) in accordance with applicable law and industry best practices, including, where required, obtaining necessary consents and making required disclosures. It is entirely your responsibility (even if we provide you any assistance or guidance in that regard) to confirm that the safeguards you use to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal, and disclosure of Personal Information. If you become aware of a suspected or actual breach of security or unauthorized access involving your Center and Personal Information, you must notify us immediately and specify the extent to which Personal Information was compromised or disclosed. You also agree to follow our instructions regarding curative actions and public statements relating to the breach.

J. **EMPLOYEES, AGENTS, AND INDEPENDENT CONTRACTORS.**

You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and independent contractors that you may hire or engage to assist in the operation of your Center. You agree that any employee, agent, or independent contractor that you hire or engage will be your employee, agent, or independent contractor, and not our employee, agent, or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of your Center in compliance with federal, state, and local employment laws. You must also notify all of your employees that they are your employees and not our employees, and you must never contend otherwise.

K. **NON-DISPARAGEMENT.**

Subject to applicable law, each party to this Agreement agrees not to (and to use its best efforts to cause its current and former officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, heirs, affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of the other party, or any of the other party’s affiliates, or any of such parties’ directors, officers, employees, representatives, or affiliates, the brands under which such parties do business, or such parties’ business operations, or take any other action which would, directly or indirectly, subject any of the foregoing to ridicule, scandal or reproach. The obligations of this Section shall survive any expiration or termination of this Agreement.

9. **MARKETING.**

A. **BY YOU.**

We or our parents or affiliates may provide marketing guidance in the form of training, programs, and seminars either through an Online Presence or at a location that we designate (such as at our Parent’s Alive Center located in Naperville, Illinois). You agree to (i) list your Center in any online directories as we periodically prescribe, (ii) establish any other Online Presence we require, and further agree that your

advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time, and (iii) include, on the website for your Center, a link to our webpage ([www.alivecenter.org](http://www.alivecenter.org)).

You must develop and maintain all Online Presences only in accordance with our guidelines. Unless we specify otherwise, we will own the rights to each such Online Presence that uses the Marks. At our request, you agree to (i) grant us access to each such Online Presence, (ii) take whatever action (including signing an assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence, and (iii) provide such information as we may reasonably request to accurately promote your Center on our webpage. Furthermore, in connection with maintaining an Online Presence for the Center, you must prepare and link a privacy policy to such Online Presence, which must comply with all applicable laws, the System Standards, and other terms and conditions that we may prescribe in writing.

**B. GRAND OPENING MARKETING.**

We require you to spend at least \$1,000 on a grand opening marketing program for your Center to take place on the dates we and you jointly agree upon before and after your Center opens. You must use the media, materials, programs, and strategies we develop or approve in connection with the grand opening marketing program. All grand opening marketing program expenditures are subject to our approval.

**10. INSPECTIONS; RECORDS AND REPORTS.**

To determine whether you and your Center are complying with this Agreement and not infringing on our rights to the Marks or otherwise damaging the goodwill of the Marks, we and our designated agents or representatives will, on a quarterly basis during the first year of the Term, inspect your Center, with at least one such inspection being in-person, including by conducting interviews, inspecting and photographing, capturing moving images, and observing the operation of your Center for consecutive or intermittent periods as we deem necessary. During the second and subsequent years of the Term, we and our designated agents or representatives will conduct such inspections on a semi-annual basis. We will not interfere unreasonably with your Center's operation, and you agree to cooperate with us fully, including by completing requested documentation in connection with inspections. You agree to promptly correct any deficiencies we identify during any inspection of your Center. Any inspection will be made at our expense, but if we or our designee must make two inspections concerning your repeated or continuing failure to comply with this Agreement, we will have the right to charge you for the costs of making all further inspections concerning your failure to comply, including travel expenses, room, board, and compensation of our designee.

Furthermore, as it relates to your Center, you must establish and maintain, at your own expense, a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we periodically prescribe, including a standard chart of accounts. Subject to applicable laws, you must provide us with such reports and information that we request from time to time regarding the operation of your Center. You agree to preserve and maintain all records in a secure location at your Center for at least three (3) years.

11. **TRANSFER.**

A. **BY US.**

You acknowledge that we maintain a staff to manage and operate the franchise system and that staff members can change as employees come and go. You acknowledge that you did not sign this Agreement in reliance on the continued participation by or employment of any of our owners, directors, officers, or employees. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or the other obligations under this Agreement. This Agreement and any other agreement will inure to the benefit of any transferee or other legal successor to our interest in it.

B. **BY YOU.**

You understand and acknowledge that the rights and duties this Agreement creates are personal to you, and that you may not transfer or assign any of your rights, duties, or this Agreement without our prior written approval.

12. **EXPIRATION OF AGREEMENT.**

A. **YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.**

When this Agreement expires, you may acquire a successor franchise for one additional term of five (5) years (or, if shorter, until the expiration or termination of your right to possess the location of your Center), if each of the following conditions are met:

- (1) you must have given us written notice of your election to acquire a successor franchise not less than 180 days and not more than 270 days before this Agreement expires;
- (2) you must have taken, at your expense, all steps identified by us to bring your Center into full compliance with our then-current System Standards;
- (3) you must be, and must have been throughout the term of this Agreement, in compliance with your obligations under this Agreement (including any monetary obligations to us or third parties), and during that same period, you and your affiliates must have been in compliance with your or their obligations under any other agreements with us;
- (4) you must pay us our then-current successor franchise fee, which will be in lieu of any initial franchise fee otherwise required by that agreement;
- (5) you must meet our requirements then-applicable for approval of new franchisees;
- (6) you must present satisfactory evidence that you have the right to remain in possession of the premises for the operation of your Center for the full duration of the successor term, and you must have obtained, maintained, and be in good standing with all necessary and applicable licenses and permits required for the operation of your Center;
- (7) you must execute our then-current form of Franchise Agreement and related documents, which will supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement (including that the then-current Franchise Agreement will be modified to reflect, among other things, that your Center is currently operating);

(8) you and your directors must have executed and delivered to us a general release (in a form prescribed by us, as permitted by applicable law) of all claims against us and our parents and affiliates, and each of our and their respective officers, directors, owners, partners, agents, representatives, independent contractors, servants, and employees, in their corporate and individual capacities, including claims arising under this Agreement or under federal, state, or local laws, rules, regulations, or orders;

(9) you must remain in compliance with all provisions of this Agreement until the execution of the successor Franchise Agreement; and

(10) we are then granting franchises for Alive Centers in the state in which your Center is located.

If you (and if you are an entity, your directors) fail to meet the conditions set forth in this Section, you acknowledge that we are not required to offer you a successor franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during its term under Section 13.

**B. GRANT OF A SUCCESSOR FRANCHISE.**

We will respond, in writing, within 90 days after we receive your notice under Section 12.A.(1) with our decision to grant you a successor franchise and listing any deficiencies that must be corrected or to not grant a successor franchise with reasons for our decision. If our decision is to grant you a successor franchise, our willingness to do so will also be subject to your continued compliance with all of the terms and conditions of this Agreement through the date of its expiration. Failure by you (and if you are an entity, your directors) to sign such agreements and releases necessary for the successor franchise and to deliver them to us, along with payment of the applicable fee, for acceptance and signature within the earlier of 60 days after their delivery to you or the expiration of the term of this Agreement will be deemed an election not to acquire a successor franchise.

**13. TERMINATION OF AGREEMENT.**

**A. BY YOU.**

If you are fully complying with this Agreement and we materially fail to comply with this Agreement and do not (i) correct the failure within 30 days after you deliver written notice of the material failure to us or, (ii) if we cannot correct the failure within 30 days and fail to give you, within 30 days after your notice, reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate this Agreement effective an additional 30 days after you deliver to us written notice of termination. Your termination of this Agreement other than according to this Section will be deemed a termination without cause and a breach of this Agreement.

**B. BY US.**

We may terminate this Agreement at any time for any reason or no reason upon 30 days' prior written notice to you. We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

- (1) You (or any of your directors) have made or make any material misrepresentation or omission in acquiring the franchise or operating the Center;
- (2) You do not commence operating the Center by the Opening Deadline;

- (3) You do not satisfactorily complete the Required Training in accordance with Section 3;
- (4) You (or any of your directors) are or have been convicted by a trial court of, or plead or have pleaded no contest or guilty to, a felony;
- (5) You fail to maintain insurance and do not correct the failure within ten days after we deliver written notice of that failure to you;
- (6) You (or any of your directors) engage in any dishonest or unethical conduct which, in our opinion, adversely affects the goodwill associated with the Marks;
- (7) You (or any of your directors) make or attempt to make an unauthorized assignment of this Agreement;
- (8) You (or any of your directors) knowingly make any unauthorized use or disclosure of any Confidential Information;
- (9) You violate any law, ordinance, rule, or regulation of a governmental agency in connection with operating the Center and fail to correct such violation within 72 hours after you receive notice from us or any other party, regardless of any longer period of time that any governmental agency may have given you to cure such violation;
- (10) You fail to pay us any amounts due and do not correct the failure within ten days after we deliver written notice of that failure to you;
- (11) You (or any of your directors) fail on two or more separate occasions within any six consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;
- (12) You make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; your Center is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of you or your Center is not vacated within 30 days following the order's entry;
- (13) You file a petition in bankruptcy or a petition in bankruptcy is filed against you;
- (14) You (or any of your directors) fail to comply with anti-terrorism laws, ordinances, regulations, and Executive Orders;
- (15) You (or any of your directors) fail to comply with any other provision of this Agreement and do not correct the failure within 30 days after we deliver written notice of the failure to you; or
- (16) You fail to comply with any other agreement with us and do not correct such failure within the applicable cure period, if any.

14. **RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION.**

Upon the expiration or the earlier termination of this Agreement, you shall comply with your post-term obligations under this Agreement, including, without limitation, your obligations under this Section 14.

A. **PAYMENT OF AMOUNTS OWED TO US.**

You agree to pay us within 15 days after this Agreement expires or is terminated, or on any later date that we determine, any amounts due to us which then are unpaid.

B. **DE-IDENTIFICATION.**

When this Agreement expires or is terminated for any reason:

- (1) You must immediately cease to directly or indirectly operate your Center;
- (2) You must cease all use, direct or indirect, of any Mark, any colorable imitation of a Mark, or other indicia in any manner or for any purpose and must not use for any purpose any trade name, trademark, or service mark, or other commercial symbol that indicates or suggests a connection or association with us;
- (3) You agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;
- (4) You agree to deliver to us or destroy (as we require), at your expense, within 15 days all marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to Alive Centers, including copies of all Confidential Information, and allow us, without liability to you or third parties, to remove these items from your Center;
- (5) You agree promptly and at your own expense to make the alterations we specify in writing to distinguish your Center and the premises clearly from its former appearance in order to prevent public confusion;
- (6) You agree to immediately cease using and, at our direction, either disable or instruct the registrar of any Contact Identifier or Online Presence to transfer exclusive control of and access to such Online Presence to us (or our designee), strictly as they relate to the Marks, as we determine in our discretion; and
- (7) You agree to give us, within 15 days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations, including, without limitation, photographs of your Center.

C. **CONFIDENTIAL INFORMATION.**

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information in any business or otherwise and return to us all copies of confidential materials that we have loaned you or to which we have given you access.

**D. COVENANT NOT TO COMPETE.**

Upon termination or expiration of this Agreement, you agree that, for one (1) year beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section begin to comply with this Section, whichever is later, neither you nor any of your directors will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, lessor, or agent, or perform any services in any capacity (including each of the foregoing) in any Competitive Business located or operating from the Center or within a 5-mile radius of your Center.

You further agree that, upon termination or expiration of this Agreement and for a period of two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section begin to comply with this Section, whichever is later, neither you nor any of your directors will have any direct or indirect interest as a franchisor or licensor of a Competitive Business located or operating anywhere in the United States.

**E. CONTINUING OBLIGATIONS.**

All of our and your (and your directors') obligations which expressly or by their nature survive this Agreement's expiration or termination (including, but not limited to, all obligations relating to non-disparagement, non-competition, confidentiality, and indemnification) will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

**15. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

**A. INDEPENDENT CONTRACTORS.**

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, personnel, and others as your Center's operator and to place notices of independent operation on the forms, business cards, stationery, advertising, and other materials we require from time to time.

**B. NO LIABILITY TO OR FOR ACTS OF OTHER PARTY; TAXES.**

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of your Center, and we will have no liability for your obligations to pay any third parties. We will also have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or your Center, due to the business or the services you conduct.

**C. INDEMNIFICATION.**

You agree to indemnify, defend, and hold harmless us, our parents, and affiliates, and our and their respective directors, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and

damages directly or indirectly arising out of the operation of your Center, the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this Section. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section.

16. **ENFORCEMENT.**

A. **SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.**

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

B. **WAIVER OF OBLIGATIONS.**

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten days' prior written notice.

C. **COSTS AND ATTORNEYS' FEES.**

If either party initiates an arbitration, judicial, or other proceeding, the prevailing party will be entitled to reasonable costs and expenses (including attorneys' fees incurred in connection with such arbitration, judicial or other proceeding).

D. **RIGHTS OF PARTIES ARE CUMULATIVE.**

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

E. **ARBITRATION.**

We and you agree that all controversies, disputes, or claims between us and our officers, directors, agents, and employees, on the one hand, and you (and your directors, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (i) this Agreement or any other agreement between you (or any of your directors) and us; (2) our relationship with you; or (3) the scope or validity of this Agreement or any other agreement between you (or any of your directors) and us (or any of our directors) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court), must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (“AAA”). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA’s then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our then-current principal place of business (currently, Naperville, Illinois). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator’s awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including money damages, pre- and post-award interest, interim costs and attorneys’ fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waive to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this arbitration provision, and in any action in which a party seeks to enforce compliance with this arbitration provision, the prevailing party shall be awarded its costs and expenses, including attorneys’ fees, incurred in connection therewith.

In any arbitration proceeding, each party will be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by any party.

If any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

In any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case’s outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain and shall not include broad phraseology such as “all documents directly or indirectly related to.” No interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

F. **GOVERNING LAW.**

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement (or any other agreement between us and you (or your affiliates)), the franchise, and all claims arising from the relationship between us and you (or your affiliates) will be governed by the laws of the State of Illinois, without regard to its conflict of laws rules, except that any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

G. **CONSENT TO JURISDICTION.**

Subject to Section 16.E above and the provisions below, we and you agree that all controversies, disputes, or claims between us (and our respective officers, directors, agents, and employees), on the one hand, and you (and your directors, guarantors, affiliates, and employees), on the other hand, arising out of or related to this Agreement or any other agreement between you (or any of your directors) and us or our relationship with you must be commenced exclusively in state or federal court closest to our then-current principal place of business (currently, Naperville, Illinois), and the parties irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. Nonetheless, the parties agree that we or you may enforce any arbitration orders and awards in the courts of the state or states in which you or your Center is located.

H. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

Except for your obligation to indemnify us under Section 15.C, we and you (and your own directors) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. We and you agree that all proceedings, whether submitted to arbitration under Section 16.E above or submitted to a court, will be conducted on an individual basis and that no proceeding between us or our respective officers, directors, agents, and employees, on the one hand, and you (or your directors, guarantors, affiliates, and employees), on the other hand, may be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other proceeding, (iii) joined with any claim of an unaffiliated third-party, or (iv) brought on your behalf by any association or agent.

We and you irrevocably waive trial by jury in any action or proceeding brought by either us or you.

I. **INJUNCTIVE RELIEF.**

Nothing in this Agreement, including the provisions of Section 16.E, bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, and/or the System loss or damage under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post

a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing, and you hereby expressly waive any claim for damages caused by such injunction.

**J. BINDING EFFECT.**

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. This Agreement may not be modified except by a written agreement signed by our and your duly authorized officers.

**K. DELEGATION OF PERFORMANCE.**

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to our parents, affiliates, and/or third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.

**L. CONSTRUCTION.**

The preambles and any exhibits are a part of this Agreement, which constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise, or the operation of your Center (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document. Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us. Nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

**17. NOTICES AND PAYMENTS.**

All written notices, reports, and payments permitted or required to be delivered by this Agreement will be deemed to be delivered: (1) at the time delivered by hand; (2) at the time delivered via computer transmission and, in the case of amounts due, at the time we actually receive payment; or (3) one business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery. Any notice must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice, or if to you, may be addressed to the Center's address. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two days before then) will be deemed delinquent.

**18. COUNTERPARTS.**

This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. The parties agree that scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

19. **ACKNOWLEDGEMENTS.**

You acknowledge that:

(1) Like any other business, the nature of the business Alive Centers conduct may, and probably will, evolve and change over time.

(2) In any and all of their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are deemed to be only between you and us.

(3) You have represented to us, to induce our entry into this Agreement, that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement as of the Effective Date.

**ALIVE CENTER FRANCHISING LLC**,  
an Illinois limited liability company

**FRANCHISEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**[Name]**  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT A**  
**TO FRANCHISE AGREEMENT**

**LOCATION, TERRITORY, AND MANAGEMENT**

1. **Location.**

The address of your Center is:

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If applicable, your Center is located within:

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2. **Protected Territory.**

Check one:

Five-mile radius (for areas with less than 8,000 residents per square mile)

Three-mile radius (for areas with 8,000 or more residents per square mile)

3. **Form and Formation.**

If you are signing the Franchise Agreement as a legal entity, you are a \_\_\_\_\_  
\_\_\_\_\_ formed on \_\_\_\_\_ under the laws of the State of \_\_\_\_\_  
\_\_\_\_\_.

4. **Manager.**

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**ALIVE CENTER FRANCHISING LLC,**  
an Illinois limited liability company

**FRANCHISEE:**

\_\_\_\_\_  
**[Name]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Exhibit A

**EXHIBIT C**  
**FINANCIAL STATEMENTS**

**ALIVE CENTER FRANCHISING LLC**

**FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2024**

**ALIVE CENTER FRANCHISING LLC**

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April 28, 2025

To the Members of  
Alive Center Franchising LLC

## **Opinion**

We have audited the accompanying financial statements of Alive Center Franchising LLC as of and for the period ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Alive Center Franchising LLC's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of Alive Center Franchising LLC as of December 31, 2024, and the respective changes in financial position and cash flows thereof for the period then ended in accordance with accounting principles generally accepted in the United States of America.

## **Basis for Opinion**

We conducted our audit 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 Alive Center Franchising LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Responsibilities of Management for the Financial Statement**

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Alive Center Franchising LLC's ability to continue as a going concern within one year after the date that the financial statement is available to be issued.

## Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement is 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 one for 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

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 statement, 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 statement.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Alive Center Franchising 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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Alive Center Franchising LLC's ability to continue as a going concern for a reasonable period. We are required to communicate with those charges 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.

Cordially,

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

**ALIVE CENTER FRANCHISING LLC**

**Balance Sheet  
December 31, 2024**

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**ASSETS**

Current Assets

Cash and Cash Equivalents	<u>\$ 10,017</u>
Total Assets	<u><u>10,017</u></u>

**LIABILITIES AND MEMBER'S EQUITY**

Liabilities	-
Member's Equity	<u>10,017</u>
Total Liabilities and Member's Equity	<u><u>10,017</u></u>

The notes to financial statement are an integral part of this statement.

**ALIVE CENTER FRANCHISING LLC**

**Statement of Operations  
For the Period Ended December 31, 2024**

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Revenues		
None		\$ -
Operating Expenses		
None		<u>-</u>
Operating Income		-
Other Income		
Interest Income		<u>17</u>
Net Income		<u><u>17</u></u>

The notes to financial statement are an integral part of this statement.

**ALIVE CENTER FRANCHISING LLC**

**Statement of Cash Flows  
For the Period Ended December 31, 2024**

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Cash Flows from Operating Activities	
Net Income	\$ 17
Cash Flows from Investing Activities	
Interest Received	-
Cash Flows from Financing Activities	
Opening Balance Equity	10,000
Net Increase in Cash	10,017
Cash - Beginning of Period	-
Cash - End of Period	10,017

The notes to financial statement are an integral part of this statement.

## **ALIVE CENTER FRANCHISING LLC**

### **Notes to Financial Statements December 31, 2024**

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#### **NOTE 1 – NATURE OF ORGANIZATION**

The Alive Center Franchising LLC (the “Company”) is an Illinois limited liability company formed in November 2024 to offer franchisees an opportunity to own and operate a teen-led, teen-driven center focused on empowering the youth of today to become confident, impassioned, resilient leaders of tomorrow.

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Accounting**

The financial statement of the Company has been prepared on the basis of generally accepted accounting principles in the United States of America (GAAP).

##### **Use of Estimates**

The preparation of the financial statement in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

##### **Income Taxes**

The Company is organized as a limited liability for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. The Company’s parent company, Alive Center, is an Illinois not for profit organization, filing appropriate tax returns in U.S. federal and state jurisdictions.

##### **Subsequent Events**

The financial statement and related disclosures include evaluation of events up through and including April 28, 2025, which is the date the financial statement was available to be issued.

**EXHIBIT D**

**TABLE OF CONTENTS TO OPERATIONS MATERIALS**

## TABLE OF CONTENTS

<b>1. Tenets, Values and Principles .....</b>	<b>49 pages</b>
<b>2. Programming.....</b>	<b>156 pages</b>
<b>3. Marketing &amp; Events.....</b>	<b>175 pages</b>
<b>4. Operations .....</b>	<b>83 pages</b>
<b>5. Support &amp; Supervision Structure.....</b>	<b>220 pages</b>
<b>6. Finance &amp; Reporting Policies .....</b>	<b>73 pages</b>
<b>7. Governance.....</b>	<b>19 pages</b>
<b>8. Fundraising &amp; Development.....</b>	<b>67 pages</b>
<b>9. Franchising.....</b>	<b>204 pages</b>
<b>10. Supplemental Alive Programming.....</b>	<b>20 pages</b>

**TOTAL: 1,066 Pages**

**EXHIBIT E**

**SAMPLE GENERAL RELEASE**

**ALIVE CENTER FRANCHISING LLC**

**GRANT OF FRANCHISOR CONSENT AND RELEASE**

**ALIVE CENTER FRANCHISING LLC** (“us”) and the undersigned franchisee (“you”), currently are parties to a certain franchise agreement dated \_\_\_\_\_, 20\_\_ (the “**Agreement**”). You have asked us to take the following action or to agree to the following request: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_. We have the right under the Agreement to obtain a general release from you and your owners as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you and your owners give us the release and covenant not to sue provided below in this document. You and your owners are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your current and former parents, subsidiaries, and affiliates, and each such person’s or entity’s successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, managers, directors, officers, principals, and employees (collectively, the “Releasing Parties”), hereby forever release and discharge us and our current and former parents and affiliates, and each such entity’s officers, directors, owners, managers, principals, employees, agents, representatives, successors, and assigns (collectively, the “Released Parties”) of and from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Released Parties, including without limitation, Claims (1) arising out of or related to the Released Parties’ obligations under the Agreement, (2) your development, ownership, or operation of the Alive Center, and (3) otherwise arising from or related to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the Released Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Released Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant us the release and covenant not to sue provided above.

*[SIGNATURE PAGE FOLLOWS]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement on the date stated below.

**Alive Center Franchising LLC,**  
an Illinois limited liability company

**FRANCHISEE:**

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT F**

**STATE RIDERS AND ADDENDA**

**ADDITIONAL DISCLOSURES FOR THE  
FRANCHISE DISCLOSURE DOCUMENT OF  
ALIVE CENTER FRANCHISING LLC**

The following are additional disclosures for the Franchise Disclosure Document of Alive Center Franchising LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

**ILLINOIS**

1. No statement, questionnaire, or acknowledgment 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 in connection with the franchise.

2. The following paragraph is added to the end of Item 5:

Pursuant to an order of the Illinois Attorney General's Office, we have posted a Surety Bond in the amount of \$40,000 from The Cincinnati Insurance Company. The terms of the Surety Bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have opened your Center. A copy of the Surety Bond is on file with the Illinois Attorney General's Office.

3. The "Summary" section of Item 17(v), entitled **Choice of forum**, is modified to include the following:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

4. The following paragraphs are added to the end of Item 17:

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE  
STATE-SPECIFIC RIDERS TO THE  
FRANCHISE AGREEMENT**

**RIDER TO THE ALIVE CENTER FRANCHISING LLC  
FRANCHISE AGREEMENT  
FOR USE IN ILLINOIS**

**THIS RIDER** is made and entered into by and between **ALIVE CENTER FRANCHISING LLC**, an Illinois limited liability company, with its principal business address at 500 West 5<sup>th</sup> Avenue, Naperville, Illinois 60563 (“we” or “us”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain franchise agreement dated \_\_\_\_\_ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the Alive™ Center that you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **NO WAIVER.** No statement, questionnaire, or acknowledgment 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 in connection with the franchise.

3. **INITIAL FRANCHISE FEE.** The following language is added to the end of Section 4.A of the Franchise Agreement:

Pursuant to an order of the Illinois Attorney General’s Office, we have posted a Surety Bond in the amount of \$40,000 from The Cincinnati Insurance Company. The terms of the Surety Bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have opened your Center. A copy of the Surety Bond is on file with the Illinois Attorney General’s Office.

4. **CONSENT TO JURISDICTION.** Section 16.G of the Franchise Agreement is modified to include the following:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

5. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added as Section 16.M of the Franchise Agreement:

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

**ALIVE CENTER FRANCHISING LLC,**  
an Illinois limited liability company

**FRANCHISEE:**

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

### **State Effective Dates**

The following states have franchise laws that 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
Illinois	April 29, 2025

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.

**EXHIBIT G**  
**RECEIPTS**

**RECEIPT  
(OUR COPY)**

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 Alive Center Franchising 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, Alive Center Franchising LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, Alive Center Franchising LLC must give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, Alive Center Franchising LLC or an affiliate in connection with the proposed franchise sale.

If Alive Center Franchising 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 appropriate state agency identified on Exhibit A.

Issuance Date: April 28, 2025 (the effective dates in franchise registration states are noted on the page immediately preceding the Receipts cover page).

The franchisor is Alive Center Franchising LLC, 500 West 5th Avenue, Naperville, Illinois 60563, Tel: (630) 778-6093. The franchise seller for this offering is:

- |                                                                                                                                                      |                                                                                                                                                  |                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Kandice Henning<br>Alive Center Franchising LLC<br>500 West 5th Avenue<br>Naperville, Illinois 60563<br>Tel: (630) 778-6093 | <input type="checkbox"/> Becky Pundy<br>Alive Center Franchising LLC<br>500 West 5th Avenue<br>Naperville, Illinois 60563<br>Tel: (630) 778-6093 | <input type="checkbox"/> _____<br>Alive Center Franchising LLC<br>500 West 5th Avenue<br>Naperville, Illinois 60563<br>Tel: (630) 778-6093 |
|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|

Alive Center Franchising LLC's registered agents authorized to receive service of process are described in Exhibit A.

I have received a disclosure document dated April 28, 2025, that included the following Exhibits:

Exhibit A	State Administrators/Agents	Exhibit D	Table of Contents to Operations Materials
Exhibit B	Franchise Agreement	Exhibit E	Sample General Release
	Exhibit A – Location, Territory, and Management	Exhibit F	State Riders and Addenda
Exhibit C	Financial Statements	Exhibit G	Receipts

_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or email, to Kandice K. Henning at 500 West 5th Avenue, Naperville, Illinois 60563; Phone: (630) 778-6093. Email: cai@alivecenter.org.

**RECEIPT  
(YOUR COPY)**

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 Alive Center Franchising 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, Alive Center Franchising LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, Alive Center Franchising LLC must give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, Alive Center Franchising LLC or an affiliate in connection with the proposed franchise sale.

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- |                                                                                                                                                      |                                                                                                                                                  |                                                                                                                                            |
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Exhibit C	Financial Statements	Exhibit G	Receipts

_____	_____	_____
Date	Signature	Printed Name

_____	_____	_____
Date	Signature	Printed Name

**PLEASE SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED THIS DISCLOSURE DOCUMENT AND KEEP IT FOR YOUR RECORDS.**