FRANCHISE DISCLOSURE DOCUMENT

ACT FRANCHISING CORPORATION
an Illinois corporation

44 West Roosevelt Road
Lombard, Illinois 60148
(855) 5-AUTISM
franchising@autismcaretherapy.com
www.autismcaretherapy.com

The franchise offered is for a practice management business providing in-home and in-center behavioral therapy services by your staff and licensed providers (subject to state law) under the "Autism Care Therapy" and "ACT" service marks to individuals with developmental disabilities, including Applied Behavior Analysis (ABA) therapy, speech therapy, occupational therapy, and parental and school training.

The total investment necessary to begin operation of an ACT franchised business is from $338,300 to $734,200. This includes $68,000 to $71,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Shaden Kassar at ACT Franchising Corporation, 44 West Roosevelt Road, Lombard, Illinois 60148, (855) 5-AUTISM, or franchising@autismcaretherapy.com.

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

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

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

Issuance Date: August 11, 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
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
How much will I need to invest?	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.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only ACT business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an ACT franchisee?	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	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 B.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement 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 more to mediate, arbitrate, or litigate with the franchisor in Illinois than in your own state.

2. **Short Operating History.** This 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 with a longer operating history.

3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guaranty will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

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.

NOTICE MANDATED BY SECTION 8 OF MICHIGAN'S FRANCHISE INVESTMENT ACT

To the extent the Michigan Franchise Investment Law, Mich. Comp. Laws §§ 445.1501 – 445.1546 applies, the terms of this Addendum apply.

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 670 Law Building, Lansing, Michigan 48913, telephone: (517) 373-7117.

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EXHIBITS

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

To simplify the language in this Disclosure Document, "Company," "we," "us," "our," or the "Franchisor," means ACT Franchising Corporation. "You," "your," or the "Franchisee," means the person, corporation, limited liability company, partnership, or other business entity that buys the franchise. If you are a corporation, limited liability company, partnership, or other entity, these terms also include your shareholders, members, partners, and owners who must sign a personal guaranty agreeing to comply with all provisions of the Franchise Agreement.

The Franchisor

ACT Franchising Corporation is an Illinois corporation formed on September 5, 2021. Our principal business address is 44 West Roosevelt Road, Lombard, Illinois 60148. We do business under our company name, ACT Franchising Corporation, and our service marks, "Autism Care Therapy" and "ACT".

We began offering ACT franchises for sale in November 2021. We do not conduct business in any other line of business nor do we offer franchises in any other line of business. Although our affiliates have operated ACT businesses since January 2021 which are substantially similar to the ACT franchised business offered under this Disclosure Document, we have never directly operated a business of the type being franchised.

Our agents for service of process are disclosed on Exhibit B.

Predecessors, Affiliates, and Parents

Our founders are also the owners of Autism Behavior Therapy Inc., which was formed in February 2017 ("ABT"). The principal business address of ABT is the same as ours. As of December 31, 2024, ABT owns and operates 3 ACT businesses substantially similar to the ACT franchised business offered under this Disclosure Document, and may provide products and services to you. ABT is therefore an affiliate of ours. ABT has not offered franchises in any line of business.

ABT also owns the "Autism Care Therapy" and "ACT" service marks and various other trademarks, trade names, and intellectual property you will use in your Franchised Business, and is therefore a predecessor of ours as well.

Except as provided above, we have no parent companies or affiliates that offer franchises in any line of business or provide products or services to you. We do not have any other predecessors required to be disclosed in this Item 1.

The Franchised Business

The franchise offered is for a practice management business providing in-home and in-center behavioral therapy services by your staff and licensed providers (subject to state law) to individuals with developmental disabilities, including Applied Behavior Analysis (ABA) therapy, speech therapy, occupational therapy, and parental and school training (the "Franchised Business"). The Franchised Business must be operated under the "Autism Care Therapy" and "ACT" service marks and logos and other trademarks, trade names, service marks, and commercial symbols we may authorize (the "Marks").

If required by applicable local, state, and federal laws and regulations, only licensed providers may provide medical and therapy products or services through your Franchised Business. Your Franchised Business must be owned and operated by licensed providers permitted to own and operate a behavioral therapy business offering the products and services required to be offered through your Franchised Business, or you must own and operate the Franchised Business in a state that permits individuals who are not licensed providers to own and operate a behavioral therapy business offering the products and services required to be offered through your Franchised Business (if we allow in our sole discretion). Regardless, all products and services offered through your Franchised Business must be supervised or performed by qualified and trained professionals. In addition, you may be required (based on applicable local, state, and federal laws and regulations or by us, in our discretion) to employ a Board-Certified Behavior Analyst ("BCBA"), Registered Behavior Technician(s), a Speech-Language Pathologist, and an Occupational Therapist. These licensed providers must possess and maintain the education, licensure, certifications, and qualifications we and applicable law require.

You are solely responsible for ensuring that the ownership, development, and operation of the Franchised Business complies with all applicable local, state, and federal laws and regulations, and to hire licensed providers who meet licensure, training, criminal history, background checks, and other qualifications under applicable local, state, and federal laws and regulations.

The System

Your Franchised Business will use our customized and proprietary procedures, techniques, business methods, décor, and design, technology system, Franchised Business website within our brand website, business forms, business policies, and other knowledge, information, trade secrets, and confidential information, as well as our standards, designs, methods of trademark and service mark usage, and research and development (the "System"). By granting you a franchise, we are only granting you a right to use our System and Marks for a practice management business. We may change or otherwise modify the System at any time as we see fit.

You must obtain our prior approval for all products and services you offer through your Franchised Business, and you can only offer those products or services that the licensed providers involved in your Franchise Business are licensed to provide (if required by applicable local, state, and federal laws and regulations). These products and services must be offered through in-home and in-center sessions within your state of licensure. We do not interfere, affect, or limit the independent exercise of medical judgment by the licensed providers. However, we require that your Franchised Business adhere to all applicable laws including any state standards on therapeutic services and our standards for client service, and we reserve the right to restrict you from offering certain products or services for any reason.

Franchise Rights

If we approve your application to become an ACT franchisee, you will sign our standard Franchise Agreement in the form attached to this Disclosure Document as Exhibit F (the "Franchise Agreement") for each Franchised Business. If we grant you the franchise, you will also sign our standard Business Associate Agreement in the form attached to this Disclosure Document as Exhibit H and our standard Records Custodial Agreement in the form attached to this Disclosure Document as Exhibit I (the "Records Custodial Agreement"). The Records Custodial Agreement requires that you appoint a third-party records custodial that we approve to accept transfer of your client records upon termination or expiration of your Franchise Agreement in accordance with applicable law; if you do not appoint a third-party records custodial following termination or expiration of your Franchise Agreement, we reserve the right to require you to transfer your client records to us or our designee.

Market and Competition

The market for behavioral therapy services offered to individuals with developmental disabilities is competitive and well established and is primarily sold to the families of the individual with developmental disabilities. Typically, clients will be children and young adults diagnosed with Autism Spectrum Disorder who seek help improving their social skills and becoming more independent. Sales are not seasonal.

Your competitors would include other behavioral healthcare providers (which may be solo practitioners, independent businesses, or parts of regional or national chains), other ACT businesses, places of education and worship, community organizations and non-profit autism support agencies, schools and other educational institutions, hospitals, and government agencies which may offer free or low-cost services to underprivileged individuals, all of which may offer some or all of the products and services you will offer through your Franchised Business.

Industry-Specific Regulations

Your Franchised Business will be subject to many federal, state, and local laws, regulations, and licensing requirements. You must comply with all laws, regulations, and licensing requirements that apply to your Franchised Business. You are responsible for investigating and evaluating the federal, state, and local laws that may apply to the structuring and operation of your Franchised Business, and the federal, state, and local restrictions regarding the ownership of your Franchised Business and the individuals that may or may not provide services through your Franchised Business. We require you to consult with an attorney regarding the laws and regulations and the permit, license, and certificate requirements that may apply to your Franchised Business.

The health care industry is heavily regulated. Some of the laws, regulations, and licensing requirements that apply to behavioral therapy businesses and will apply to your Franchised Business, relate to the practice of behavioral therapy and the licensing and operation of behavioral therapy services; privacy of patient records (including the Health Insurance Portability and Accountability Act of 1996, or HIPAA, and the Health Information for Economic and Clinical Health Act, or HITECH); the relationship of providers and suppliers of health care services with behavioral therapy professionals, including state and federal anti-kickback and self-referral laws and state Medicaid laws concerning reimbursement for services for those who participate in Medicaid; prohibitions on fee splitting and self-referral restrictions (such as the federal "Stark Law" and similar state laws); and payment systems for medical benefits available to individuals through private insurance and government resources (including Medicare and Medicaid); as well as the standards and requirements of the Behavioral Health Center of Excellence accreditation. The form of Business Associate Agreement that you must sign is attached to this Disclosure Document as Exhibit H. Your Franchised Business may also be required to meet credentialing and enrollment requirements in order to participate in private and government insurance programs, including regulations and procedures established by the federal Centers for Medicare and Medicaid Services and comparable state and local agencies with regulatory and/or administrative functions relating to the services provided to clients and public or private insurance reimbursements.

Whether any of these laws, regulations, and licensing requirements will apply to your Franchised Business will depend on the location of your Franchised Business, the type of products and services you offer through your Franchised Business, and the types of private and government insurance that you accept at your Franchised Business. The laws and regulations and the permit, license, and certificate requirements that apply to behavioral therapy businesses varies state by state. In addition, the Operations Manual may require that you take certain actions related to Medicare, Medicaid, and other government programs, in compliance with these laws and our standards.

Licensed Providers and Corporate Practice of Medicine

You must not engage in the practice of medicine, therapy, or any other profession that requires specialized training, licensure, or certification unless properly trained, licensed, and certified. You must secure and maintain in force all required licenses, permits, and certificates relating to the operation of the Franchised Business and the other licenses applicable to ACT businesses. You must comply with all state and local laws and regulations regarding the management of your Franchised Business. We require, and all states also require, that any person who provides behavioral therapy products and services through your Franchised Business pass all applicable licensing tests and board certifications, be licensed providers according to state law, and maintain at all times all permits, licenses, and certificates necessary to provide these products and services. You may not employ or retain any person who does not meet these requirements, and under no circumstance may a non-licensed medical professional influence, or direct the supervision, administration, delivery, or performance of, medical or therapy products or services.

The Franchised Business, including all individuals working with clients (*e.g.* technicians, interns, and assistants) must be continuously under the supervision of a designated supervising BCBA who is a full-time employee of the Franchised Business. "Full time" requires the individual to be available during regular business hours, currently at least 9 a.m. to 5 p.m. Monday through Friday, and also during other times at which services are being provided to clients. You are solely responsible for ensuring that you, your BCBAs, and your technicians, at all times: (a) meet and maintain in good standing all legal and regulatory requirements necessary for the functions that they perform, and have all licenses, board certifications, individual screenings, and background checks as required; and (b) perform the services and conduct themselves in a professional and ethical manner consistent with the Professional Standards as well as industry standards.

If you operate in a jurisdiction that regulates the corporate practice of medicine and you are not a licensed BCBA (or certain other licensed medical professionals in certain instances), you may be prohibited from employing a licensed BCBA directly or from providing applied behavioral analysis services directly to the public unless you are a BCBA or certain other licensed medical professionals in certain instances. Instead, you may need to enter into an agreement with a BCBA to provide services of the Franchised Business to such BCBA (or their professional entity, as discussed below). If you are located in such a state, you are responsible for preparing an agreement that complies with your state's laws and which is subject to our pre-approval. You (and anyone who works for you) must not engage in the practice of applied behavior analysis, or any other profession that requires specialized training, licensure, or certification unless properly trained, licensed, and certified.

These corporate practice of medicine laws also generally only permit medical professionals licensed by the state to provide medical services through a professional corporation, professional limited liability company, or other professional practice entity owned by the licensed medical professionals. Some states limit the legal type of professional practice entity. These laws may apply to behavioral therapists. These laws only permit the professional practice entity to receive payment from patients for medical services or medical reimbursement from government health programs or private payor health plans.

<u>Medicare Anti-Assignment Rule</u>

The Medicare Anti-Assignment Rule prohibits anyone, except the provider, from receiving payments from federal government healthcare programs. If your Franchised Business accepts payments from federal government healthcare programs, you will need to comply with the Medicare Anti-Assignment Rule and may need to maintain separate bank accounts to separate payments received from federal government healthcare programs from commercial payors.

<u>Advertising and Promotion</u>

There are also local, state, and federal laws, rules, and regulations that regulate the type of marketing that you may or may not make as to the products and services offered by your Franchised Business, the results that a client or patient may or may not achieve, and whether or not the products and services are authorized, cleared, or approved by any government agency or authority. Many states require that health care providers make a proper disclosure to their patients regarding their affiliation with a person or entity if they will receive, directly or indirectly, remuneration for securing or soliciting the patient. Medicare regulations, and many state regulations, also impose a duty to collect payments from clients.

<u>Professional Standards</u>

In addition to these local, state, and federal laws, rules, and regulations, your Franchised Business must comply with all codes of professional and ethical conduct issued by the Association of Behavior Analysis International and/or the Behavior Analyst Certification Board's (<u>BACB's</u>) Professional and Ethical Compliance Code and the BACB's Ethics Code for Behavior Analysts (as each may be updated, changed, or replaced), any professional organizations we designate, and any successor organizations (the "<u>Professional Standards</u>"). You must complete all requirements as we may periodically specify with respect to background checks on each BCBA and technician and any other individuals employed or contracted by you before any such individual may provide services to clients of the Franchised Business. In addition, you must operate the Franchised Business in accordance with our Operations Manual which we may change at any time.

General Laws and Regulations

In addition to the specific laws, regulations, and licensing requirements discussed above, your Franchised Business will be subject to national, state, and local laws, regulations, and licensing requirements that apply to all businesses, such as the Americans With Disabilities Act of 1990, labor and wage laws, employment practices, immigration and employment laws, construction, zoning, health, and safety requirements, taxes, Federal Trade Commission regulations, and business licensing requirements. You must also comply with all zoning laws and regulations that apply to your Franchised Business.

ITEM 2.
BUSINESS EXPERIENCE

Director, President and Secretary: Shaden Kassar, BCBA

Ms. Shaden Kassar, BCBA, has been our Director, President and Secretary since our formation in September 2021, located in Lombard, Illinois. She has also been the Director, President and Secretary of ABT since its formation in February 2017, located in Lombard, Illinois. Ms. Kassar has been Manager of ABA Staffing Solutions LLC since March 2023, located in Burr Ridge, Illinois. Ms. Kassar has been Director and President of Candler Enterprises, Inc. since its formation in August 2019, located in Burr Ridge, Illinois. From January 2016 to February 2021, Ms. Kassar was Director, President and Secretary of ASD Life Inc., a behavioral healthcare business located in Worth, Illinois. From August 2012 to August 2020, she was a therapist and a Board-Certified Behavioral Analyst at Project Org and Design Studio, Inc., a developmental daycare located in Chicago, Illinois.

General Manager: Dr. Wassim Al Mala

Dr. Wassim Al Mala has been our General Manager since our formation in March 2023. Dr. Al Mala has also been the General Manager of ABT since October 2021, located in Lombard, Illinois. Dr. Al Mala has been Manager of ABA Staffing Solutions LLC since March 2023, located in Burr Ridge, Illinois. From November 2019 to September 2021, Dr. Al Mala was the Human Resources Manager of and provided franchisee sales and support to Al Jazira Group, an auto building firm, and its sister company AlRayan, located in Doha, Qatar.

Christopher Pena

Mr. Christopher Pena has served as Chief Executive Officer of Franchise Incubators since August 2024, located in Austin, Texas. From January 2018 to August 2024, he was the President and Founder of BODY20, located in Austin, Texas.

ITEM 3.
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4.
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5.
INITIAL FEES

Initial Franchise Fee

Our standard initial franchise fee for each Franchised Business is $65,000 ("Initial Franchise Fee"). The Initial Franchise Fee is due and payable when you sign the Franchise Agreement, and is fully earned by us when you sign the Franchise Agreement. It is nonrefundable and is not credited against any other obligation you have to us, and we do not offer any financing for the Initial Franchise Fee.

Opening Marketing Plan Fee

You must pay us an opening marketing plan fee of $3,000 to $6,000 per Franchised Business, depending on your market and Protected Area ("Opening Marketing Plan Fee"). We will use your Opening Marketing Plan Fee for local advertising, marketing, and promotion of the opening of your Franchised Business in accordance with an opening marketing plan we develop. The Opening Marketing Plan Fee is due and payable when you sign the Franchise Agreement, and is fully earned by us when you sign the Franchise Agreement. It is nonrefundable and is not credited against any other obligation you have to us, and we do not offer any financing for the Opening Marketing Plan Fee.

We did not collect any initial franchise fees in our fiscal year ending December 31, 2024.

ITEM 6.
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
System Fee	7% of Gross Sales	Payable on the 10th day of each month for the prior month	(Note 2)
Brand Fund Contribution	Up to 3% of Gross Sales (none currently)	Payable on the 10th day of each month for the prior month	(Note 3)
Local Advertising and Marketing Spend	$1,000 per calendar quarter	Must be spent quarterly and accounted for by you	Contributed to the Brand Fund only if you do not spend the minimum amount each quarter (Note 4)

Type of Fee	Amount	Due Date	Remarks
Technology Fees	Up to $500 per hour for technology/IT support	Payable on the 10th day of each month for the prior month	Payable for technology/IT support that we may provide to you upon your request
	Currently $15 per month per email address (but not to exceed $25 per month per email address)	Payable on the 10th day of each month for the prior month	Payable for the second and each subsequent branded email address you request and we agree to provide to you
	Our vendor's cost plus up to 25% for licensed software or services provided by us to you	Upon demand	Payable for licensed software or services that we may provide to you. You will have additional technology costs, including those directly from a vendor
Initial Training Program	Currently $2,500 per person plus any travel, lodging, meals, and related expenses (Note 1)	Upon demand before training	(Note 5)
Refresher Training	Currently $500 per day plus cost of travel, lodging, meals, and related expenses (Note 1)	Upon demand before training	(Note 5)
Additional Assistance	Currently $150 to $500 per hour plus cost of travel, lodging, meals, and related expenses (Note 1)	Upon demand before training	(Note 5)
Conference Fee	Currently $500 to $1,000 per person (Note 1)	Upon demand before conference	(Note 6)
Contract and Credentialing Services Fees	Currently none, but we may require or offer as optional in the future (not to exceed $2,500 per provider)	Upon demand	(Note 7)
Evaluation of Suppliers	Up to $5,000 per request, plus actual expenses	As incurred	Applies only if you want us to evaluate unapproved items or suppliers for the Franchised Business
Client Intake Fee	Currently $500 per month (Note 1)	Payable on the 10th day of each month for the prior month	Payable to us for a client relations call center for incoming clients

Type of Fee	Amount	Due Date	Remarks
Management Fees	Currently up to $1,000 per day, plus actual expenses, including without limitation all travel, lodging, meals, and related expenses (Note 1)	As incurred	Payable during any period that our appointed manager manages the Franchised Business upon your default, death, or disability (Note 8)
	Costs for us providing a third-party BCBA plus 25% administrative fee	As incurred	Payable during any period that your Franchised Business does not have a BCBA and we appoint a third-party BCBA for your Franchised Business (Note 8)
Records Custodial Costs	Cost for us providing records custodial services, which varies based on quantity of records	Upon demand	Payable only if you do not appoint a third-party records custodial upon termination or expiration and we elect to provide records custodial services
Insurance Reimbursement	Amount we incur to purchase insurance for you plus 15% administrative fee	Upon demand	Payable only if you fail to obtain the required insurance and we obtain it on your behalf
Tax Reimbursement	Amount of taxes we pay on your behalf plus 15% administrative fee	Upon demand	Payable only if you fail to pay any taxes due as required by law and we make the tax payment on your behalf
Third-Party Quality Assurance Audit Fee	None currently (but expected to be up to $250 per quality assurance audit)	As incurred	Payable only if we engage a third-party quality assurance audit of your Franchised Business
Transfer Fee – Transfer to Controlling Entity	$1,000 (Note 9)	Before transfer occurs	Payable only if you seek to sell or transfer your franchise rights to an entity controlled by you
Transfer Fee – Majority or Controlling Interest	(Note 10)	Before transfer occurs	Payable only if you seek to sell or transfer your Franchise Agreement, Franchised Business, or a majority or controlling interest in it, or a majority or controlling interest in an entity that owns the franchise

Type of Fee	Amount	Due Date	Remarks
Resale Assistance Fee	$20,000	At or before closing of the transfer	(Note 11)
Relocation Fee	$10,000	Upon demand	Payable only if you seek to relocate your Franchised Business
Renewal Fee	Greater of 50% of our then-current non-discounted Initial Franchise Fee charged for a first franchise or $32,500	At least 30 days before the term of your Franchise Agreement expires	Payable only if you want to renew your franchise
Lease Renewal Fee	Cost for us to review your lease renewal (not to exceed $3,500)	Upon demand	You must reimburse our costs to review your lease renewal
Late Fee	Currently the greater of $150 per violation or $100 per day per violation (Note 1)	As incurred	Applies to each notification or demand for payment, non-sufficient funds payments by check or electronic transfer, the failure to provide reports and financial statements in a timely manner
Interest	Lesser of 1.5% per month or highest rate of interest allowed by applicable law	As incurred	Payable on all overdue amounts
Inspection and Audit Costs	Cost of inspection or audit plus travel and lodging	As incurred	Payable only if you fail to furnish reports or records or if the audit reveals you have understated any amounts paid to us
Cost of Enforcement or Defense	All costs including accounting and attorneys' fees	As incurred	Payable only if we retain counsel following your breach of any obligation you have to us, or if we are successful in defending any claim you bring against us
Indemnification	Varies	As incurred	You have to reimburse us if we are held liable for claims arising from your operations
Liquidated Damages	(Note 12)	Upon demand	(Note 12)

All fees are paid to us and are nonrefundable (except as provided below). None of these fees are imposed by a cooperative. We currently expect that all fees will be uniform for all new franchisees. However, in the past we have charged different fees, we have added fees, and in certain situations reduced or waived fees. Existing franchisees who have signed earlier franchise agreements may have different fees. Any limitation on our ability to increase a fee or other amount disclosed in this Disclosure Document only applies to Franchise Agreements signed in connection with this Disclosure Document. All limitations expire or otherwise terminate on the expiration or termination of the Franchise Agreement.

You must pay fees and other amounts due to us via electronic funds transfer or other similar means. To implement this procedure you must sign an agreement authorizing us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest that may be owing. You must report to us the Gross Sales of your Franchised Business by the 5th day of each month for the prior month. You will make the funds available to us for withdrawal by electronic transfer no later than the payment due date. If you have not timely reported the Gross Sales to us for any reporting period, or you withhold our access to accounting and financial systems or data, or otherwise fail to pay amounts due to us, we can, at our option, debit your account for the greater of: (a) 110% of the fees transferred from your account for the last reporting period for which a report of Gross Sales was provided to us; (b) the amount due based on information we have regarding your business activities; or (c) 110% of the fees transferred from your account for the same period in the prior year. A sample form of this authorization is attached to this Disclosure Document as Exhibit J.

If your state, or any governmental body in your state, charges a tax on any fee you owe to us or to our affiliates, then you must pay an additional amount equal to the amount of this tax. This does not apply to any federal or Illinois income taxes we or our affiliates have to pay, nor does this apply to franchisees residing or located in Washington.

Upon at least 60 days' prior notice to you, we may change the frequency of payment of any fees payable to us, including on a weekly or other billing cycle rather than monthly or annually, in which case the fee will prorated based on the number of days in the applicable billing cycle.

Defined Terms

"Gross Sales" means the total amount of revenues, income, receipts, reimbursements, and other fees actually received that are attributable to or earned by or through the Franchised Business for activities and services taking place by or through the Franchised Business, and all other services and products, if any, sold under the Marks, or otherwise related to the Franchised Business, including but not limited to amounts received for co-pays, private payments, and insurance reimbursements. Excluded from "Gross Sales" are amounts collected and remitted by you to any governmental taxing authority in satisfaction of sales or occupation taxes. If the Franchised Business operates as a management company for a provider or professional entity or any of its Autism Care Therapy businesses, "Gross Sales" includes all revenues, income, receipts, reimbursements, and other fees actually received by the provider or professional entity and any of its Autism Care Therapy businesses, even if those revenues are not recognized on your books and records.

Notes

Note 1. We may adjust these fees annually as of January 1 of each year to reflect inflation during the previous year according to the Consumer Price Index, All Urban Consumers (CPI-U), U.S. City Average, All Items (1982-84=100), published by the United States Department of Labor's Bureau of Labor Statistics, or its successors. If we adjust any of these fees, we will provide at least 60 days' prior notice to you before the adjusted fee goes into effect.

Note 2. In consideration of the license to use our System and Marks, you must pay us a monthly System Fee.

Note 3. Brand Fund Contributions will be deposited in the Brand Fund (see Item 11).

Note 4. In addition to the Brand Fund Contribution, once your Franchised Business opens, you must spend at least $1,000 per calendar quarter on approved local advertising and marketing activities for your Franchised Business (see Item 11). Upon 60 days' notice to you, we may decrease or increase the minimum local advertising and marketing spend requirement and increase or decrease the Brand Fund Contribution by the same amount. If you do not meet this quarterly requirement, we may require you to contribute to the Brand Fund the difference between what you actually spent on approved local advertising and marketing and the minimum that you were required to spend on approved local advertising and marketing. Indirect costs you incur in managing your local advertising and marketing campaigns, such as salaries and benefits of your employees or compensation paid to marketing agencies, will not count towards these minimum expenditure requirements. Additionally, any costs you incur for paid media advertising where keyword strategy or pay-per-click tactics are used and advertising conducted at your Franchised Business (such as grand opening marketing expenses, in-center materials, and signage or banners) will not count towards these minimum expenditure requirements. Although we do not require that you spend more than the minimum amount, we recommend that you do spend more than this minimum amount.

Although we can require you to, we do not currently require our franchisees to participate in a local or regional advertising cooperative. If we do, we will define the area of membership of the cooperative and determine how much you must contribute to the cooperative. Amounts you contribute to the cooperative will be credited towards your minimum local advertising and marketing spend requirement.

Note 5. If you send another Director or other employee that we approve to complete any portion of the Initial Training Program (including as a result of new hires), with our approval, then you must pay us our then-current training fee plus any travel, lodging, meals, and related expenses we incur if we accept your request for us to conduct the training at your Franchised Business or other location.

We may require that you participate in up to 5 days per calendar year of refresher training in the operations and marketing of the Franchised Business. This refresher training may held, at our option, at our offices in Illinois, virtually, at the location of an ACT business owned by you or our affiliate, or at an annual conference of franchisees which we can require you to attend once per calendar year. You must pay our current training fee for this refresher training plus you must reimburse our travel, lodging, meals, and related expenses we incur if we conduct the training at your Franchised Business or other location. We may require that in addition to you, your Director and other employees attend this refresher training.

We may also provide optional additional assistance that you request and we agree to provide, at our current charges for additional training. You must pay our current charge for any optional training plus you must reimburse our travel, lodging, meals, and related expenses we incur if we accept your request for us to conduct the training at your Franchised Business or other location. We may also provide mandatory additional assistance in addition to our refresher training. If we provide it, you or one of your staff members that we approve must attend the training. You must pay our current charge for any mandatory training plus you must reimburse our travel, lodging, meals, and related expenses we incur if we conduct the training at your Franchised Business or other location.

Note 6. If we hold any annual conference of franchisees which we require you to attend, you must pay our current per-person attendance fee for you and all other attendees that you are required or elect (with our prior approval) to send to the conference (regardless whether you attend).

Note 7. The contracting and credentialing services you need for your Franchised Business will vary depending on whether you decide to accept insurance, the insurance plans that you want to accept, and existing credentials. We currently require that you obtain any credentialing through our approved vendor. However, if we decide to offer credentialing services or support, you will pay us our current credentialing services fees. The contract and credentialing services fees would be nonrefundable (regardless whether we obtain any approvals) and would be payable before we provide the contract and credentialing services.

Note 8. In addition to all other fees due to us under your Franchise Agreement, upon your default, death, or incapacity (or in the case of a partnership, corporation, or limited liability company, by the death or incapacity of an owner controlling more than 49% of the voting interest of you), we may, but have no obligation to, appoint a manager to manage and operate your Franchised Business on a temporary basis, and you must pay us our current Management Fee plus you must reimburse our travel, lodging, meals, and related expenses we incur in managing and operating your Franchised Business during this temporary period. If your Franchised Business does not have a BCBA for any reason, and we elect to appoint a third-party BCBA for your Franchised Business, you must also pay us our current Management Fee for appointing a third-party BCBA for your Franchised Business.

Note 9. If you sell or transfer a non-majority and non-controlling interest in your Franchised Business or an entity that owns the franchise (including if you assign or transfer all of your franchise rights to a partnership, corporation, or limited liability company controlled by you), you must pay us a Transfer Fee of $1,000.

Note 10. If you sell or transfer your Franchise Agreement, Franchised Business, or a majority or controlling interest in it or a majority or controlling interest in an entity that owns the franchise, you must pay us a Transfer Fee equal to either:

- The greater of 50% of our then-current non-discounted Initial Franchise Fee charged for a first franchise or $32,500 if the transferee does not own any other ACT business(es) (with $5,000 of the Transfer Fee due as a non-refundable deposit when you submit the transfer for our approval and the balance due upon our approval of the transfer, if approved).

- The greater of 25% of our then-current non-discounted Initial Franchise Fee charged for a first franchise or $16,250 if the transferee does own another ACT business (with $2,000 of the Transfer Fee due as a non-refundable deposit when you submit the transfer for our approval and the balance due upon our approval of the transfer, if approved).

Note 11. Upon your request, we may refer to you potential buyers of your Franchised Business or franchise rights (but we have no obligation to do so). If we refer to you the buyer of your franchise rights, Franchised Business, or the assets of the Franchised Business, or a majority or controlling ownership interest in you, your franchise rights, the Franchised Business, or the Franchise Agreement, then you must pay us a Resale Assistance Fee of $20,000 at the time of the closing the sale (regardless of whether the buyer is an existing ACT franchisee or not), in addition to the Transfer Fee.

Note 12. If any of the post-termination obligations (including non-competition or confidentiality obligations) are held unenforceable for any reason or reduced or restricted for any reason in our reasonable business judgment, we may, in addition to any other remedies available to us under your Franchise Agreement or applicable law or equity, require that you pay us as liquidated damages and not as a penalty, an amount equal to the average monthly amount of System Fees and Brand Fund Contributions due and payable by you during the 12 months prior to the termination (or if you have not been in operation for at least 12 months as of the date of termination, then based on the average monthly amount of System Fees and Brand Fund Contributions of all ACT businesses during the 12-month period immediately before your termination date) multiplied by the number of months then remaining in the term of your Franchise Agreement.

ITEM 7.
ESTIMATED INITIAL INVESTMENT

Franchise Agreement (Note 1)

YOUR ESTIMATED INITIAL INVESTMENT					
Type of Expenditure	**Low Amount**	**High Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Initial Franchise Fee (Note 2)	$65,000	$65,000	Lump sum	Upon signing Franchise Agreement	Us
Opening Marketing Plan Fee (Note 3)	$3,000	$6,000	Lump sum	Upon signing Franchise Agreement	Us
Additional Grand Opening Marketing Expenses	$0	$5,000	As incurred	As incurred	Vendors
Credentialing Services Fees (Note 4)	$4,000	$5,000	Lump sum	As incurred	Vendors
Real Estate Market Reviews and Leasing Costs	$6,000	$6,000	As incurred	As incurred	Vendors
Lease Deposit and Payments – 6 Months (Note 5)	$12,000	$20,000	Lump sum	As incurred	Landlord
Utility Deposits (Note 6)	$0	$1,000	As incurred	Before opening	Vendors
Furniture, Fixtures, and Equipment and Sensory Gym (Note 7)	$25,250	$36,500	As incurred	Before opening	Vendors
Supplies and Inventory – 6 Months (Note 8)	$500	$2,500	As incurred	Before opening	Vendors

YOUR ESTIMATED INITIAL INVESTMENT					
Type of Expenditure	**Low Amount**	**High Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Computers and Technology (Note 9)	$3,000	$5,000	As incurred	Before opening	Vendors
Leasehold Improvements (Note 10)	$152,600	$442,200	As incurred	As incurred	Vendors
Construction Management Costs	$15,000	$15,000	As incurred	As incurred	Vendors
Architectural and Engineering Services (Note 11)	$4,000	$10,000	As incurred	As incurred	Vendors
Exterior Signage, Interior Signage, and Graphics	$2,000	$10,000	Lump sum	Before opening	Vendors
Insurance (Note 12)	$550	$10,000	As incurred	Varies	Vendors
Permits, Licenses, and Accreditation (Note 13)	$400	$2,000	As incurred	Before opening	Government agencies
Accounting and Legal Fees (Note 14)	$2,000	$5,000	As incurred	As incurred	Vendors
Training Expenses (Note 15)	$1,000	$4,000	As incurred	Before opening	Vendors
Local Marketing – 6 Months (Note 16)	$2,000	$6,000	As incurred	As incurred	Us or Vendors
Additional Funds – 6 Months (Note 17)	$40,000	$78,000	As incurred	As incurred	Us, vendors, and government agencies
Total (Note 18)	**$338,300**	**$734,200**			

Notes

Note 1. This table is an estimate of your initial investment to start a single newly constructed Franchised Business under a Franchise Agreement from a leased space that is between 1,500 to 4,000 square feet.

Note 2. The Initial Franchise Fee is described in Item 5.

Note 3. The Opening Marketing Plan Fee is described in Item 5.

Note 4. The contracting and credentialing services you need for your Franchised Business will vary depending on whether you decide to accept insurance, the insurance plans that you want to accept, and existing credentials. We currently require that you obtain any credentialing through our approved vendor. However, if we decide to offer credentialing services or support, you will pay us our current credentialing services fees. The contract and credentialing services fees would be nonrefundable (regardless whether we obtain any approvals) and would be payable before we provide the contract and credentialing services.

Note 5. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and whether you are leasing or buying.

Your landlord may require a lease deposit and will typically require monthly rent in advance. Rent will vary depending upon the location of the premises and other related factors. The prepaid rent is usually nonrefundable. We have assumed you will lease space for your Franchised Business. These assumptions are based on the average of ABT's costs and our franchisees' costs in leasing and building out ACT centers in Illinois; leasing costs will vary in other markets. Our estimates for a Franchised Business include a security deposit equal to first months' rent, along with the first 6 months' rent. Our estimates also assume the location has been prepped with heating/cooling delivery systems, lighting, electrical, bathrooms, finished ceilings, and walls for separate rooms that are prepped for painting, etc., and that you do not receive any tenant improvements or allowances from your landlord. You will have additional build-out costs if you receive the premises in any other condition than what we have assumed.

If you choose to purchase, rather than rent, real estate on which a building suitable for your Franchised Business already is constructed or could be constructed, your real estate costs will be higher.

Note 6. Most utilities, such as local water, sewer, gas, and electric, companies, require deposits prior to initial services.

Note 7. These estimates includes the cost of purchasing the minimum furniture, fixtures, and equipment required to furnish your Franchised Business, as well as a sensory gym. The estimated costs include purchase price, delivery, and installation. The actual cost will vary depending on the size and build-out of your Franchised Business. All of these items must meet our specifications, and must be purchased from approved vendors.

Note 8. These estimates include the cost of purchasing the minimum supplies and inventory needed to operate your Franchised Business during the first 6 months, including office supplies; snacks and beverages; books, toys, and educational materials; and autism care tools and supplies.

Note 9. You must purchase and use at a minimum, 1 personal computer or tablet per staff member and 1 printer (with scanning and faxing capabilities). You must also purchase modems, routers, and access points for secure Wi-Fi throughout your Franchised Business and security systems and cameras for your Franchised Business. All of these items must meet our specifications, including those related to model, brand, and functionality, but can be purchased from any vendor. Each of the computers discussed above must contain the computer software and technology services we require, or have access to the software and technology services we require, which currently include an electronic medical record software/practice management software that we designate (the "EMR/PR System"), medical and insurance billing software, accounting software, inventory management, point of sale (POS) and client relations management (CRM) systems, phone and security software, educational systems and software, payment and invoicing software, business management software, learning management system, appointment management system, booking system, event ticketing system, and Microsoft Office 365 and QuickBooks.

Note 10. Leasehold improvement costs include floor covering, cabinets, counters, ceilings, painting, window coverings, electrical, carpentry, and similar work. These amounts depend on various factors, including: the existing site condition, location, and size; the demand for the site among prospective tenants; the site's previous use; the build-out required to conform the site for your location; and any construction or other allowances the landlord grants. Our estimates assume that you remodel an existing building that has previously been used as an office, school, child care center, or similar space. Construction of a new building on a pad site would require a greater initial investment, the amount of which would depend on market conditions.

Note 11. Your location will typically be converted from an existing office, school, child care center, or similar space. We will review and provide support with layout of a typical space; however, you may be required to work with a licensed architect in order to permit and build out your location. The low estimate assumes you have an existing school, child care center, or similar space with the layout we require.

Note 12. You must carry the types and amounts of insurance we specify, at your cost. We currently require that you obtain and maintain on a primary and non-contributory basis at least a general liability insurance policy, auto liability insurance policy, medical malpractice (also known as E&O or professional) liability policy, umbrella liability insurance policy, property insurance policy and renters insurance policy, workers compensation and employers liability insurance policy, employment practices liability insurance policy, cyber liability/data privacy insurance policy, and sexual and physical abuse or misconduct liability policy. This estimate is for an initial deposit of 6 months for our minimum required insurance coverages. We may require you to obtain some or all of these minimum required insurance coverages from our approved vendor or through our centralized/group insurance program for all franchisees, at your cost.

Note 13. This estimate reflects the fees you will pay to apply for various permits, licenses and accreditation. These fees can include building permits, sales tax permits, incorporation fees, fire inspection fees, and licensing board and health and educational department fees. The application and fees required will depend upon the regulations of the governing agencies in your city and state.

Note 14. You must retain an attorney licensed to practice law in your state to validate your business structure and licensure under applicable state laws. We recommend, but do not require, that you also retain an attorney to review any insurance contracts for any payors that you desire to accept at your Franchised Business.

Note 15. We do not charge for the Initial Training Program for you, your Director, and BCBA (up to 3 people) attending the same training sessions. You are responsible for airfare, meals, transportation costs, salaries, benefits, lodging, and incidental expenses for all attendees. The low estimate assumes only you, as the Director and BCBA of your Franchised Business, attend the Initial Training Program and that you either drive to training or obtain discounted airfare and budget hotel accommodations. The high estimate assumes you, your Director, and BCBA attend the Initial Training Program together and that your travel costs are higher. The Initial Training Program will be held in Illinois or at another location we specify. Your actual costs will vary depending on the distance to be traveled, your method of travel, and your personal circumstances.

Note 16. In addition to the Brand Fund Contribution, once your Franchised Business opens, you must spend at least $1,000 per calendar quarter on approved local advertising and marketing activities (see Item 11). The low estimate assumes you only spend the minimum local advertising and marketing spend required for 6 months (2 calendar quarters). However, we recommend that you spend more than the minimum local advertising and marketing spend requirement, and our high estimate assumes you spend $3,000 per calendar quarter on approved local advertising and marketing activities. If you do not meet this quarterly requirement, we may require you to contribute to the Brand Fund the difference between what you actually spent on approved local advertising and marketing and the minimum that you were required to spend on approved local advertising and marketing. Indirect costs you incur in managing your local advertising and marketing campaigns, such as salaries and benefits of your employees or compensation paid to marketing agencies, will not count towards these minimum expenditure requirements. Additionally, any costs you incur for paid media advertising where keyword strategy or pay-per-click tactics are used and advertising conducted at your Franchised Business (such as grand opening marketing expenses, in-center materials, and signage or banners) will not count towards these minimum expenditure requirements.

Note 17. These amounts include estimated operating expenses you should expect to incur during the first 6 months of operation of your Franchised Business, which include estimated franchise fees payable to us, utility costs, gas, waste and recycling removal, landscaping, Internet charges, permits and licensure, maintenance and repair costs, and costs of uniforms for your employees. Due to the time it may take to obtain credentialing approval, which varies by state, and to the billing cycle delay between providing services to a client and collection of fees from those services, you will need these additional funds for your ongoing operating expenses. These amounts do not include any salary or compensation to you or any other employee of the Franchised Business, which you may determine in your discretion, or any other costs separately included above. These estimates will vary depending on the size of your Franchised Business.

Note 18. We have relied on the experiences of ABT in opening ACT businesses in Illinois since January 2021 and of our franchisees in opening ACT businesses to compile these estimates. We do not offer financing for any part of the initial investment. The availability and terms of financing will depend on factors like the availability of financing generally, your credit worthiness, your relationship with local banks, your business experience, and any additional collateral you may offer to a lender to secure the loan. Our estimates do not include any finance charges, interest, or debt service obligations.

ITEM 8.
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Specifications

Most of the furniture, fixtures, and equipment, supplies and inventory, design and décor, branded items and signage, marketing and advertising, computer hardware and software, technology systems, insurance policies, payment processing services, insurance contracting and credentialing, products you purchase for use or sale at your Franchised Business, and behavioral therapy products and services must meet our specifications. Those specifications may include minimum standards for delivery, performance, design, appearance, and quality. We will issue the specifications to you before you begin operating. We may include these specifications in the Operations Manual or we may issue them separately. You must obtain our approval before you use any advertising materials you prepare, and before you establish any web page, social media, and/or social networking site, profile, account, or hashtag that refers to us, your Franchised Business, or the System.

You can expect that these required purchases and leases you make will represent over 90% of the total purchases and leases you will make in establishing your Franchised Business. Once you begin operating, you can expect that these required purchases and leases you make will represent 40% to 65% of the total purchases and leases you will make in operating your Franchised Business.

Required Purchases and Suppliers

We require you to purchase certain branded items and signage, products, supplies, equipment, services, marketing and advertising products and services, software licenses, and other items, including the EMR/PR System, credentialing and billing services, market research and construction management services, from vendors we approve, and we will provide you with a list of approved suppliers.

We currently require that you use our approved vendors for market reviews and research and real estate lease assistance and negotiation and construction management services.

We currently require that you obtain any credentialing through our approved vendor. However, if we decide to offer credentialing services or support, we may require that you obtain these services and support from us only or as an alternative option to our approve vendors, and you will pay us our current credentialing services fees. The contract and credentialing services fees would be nonrefundable (regardless whether we obtain any approvals) and would be payable before we provide the contract and credentialing services.

You must also appoint a third-party records custodial that we approve to accept transfer of your client records upon termination or expiration of your Franchise Agreement in accordance with applicable law; if you do not appoint a third-party records custodial, we reserve the right to require you to transfer your client records to us under the Records Custodial Agreement attached to this Disclosure Document as Exhibit I. There may be only a single approved supplier of an item or service, which may be us or an affiliate, and we may not approve another supplier for this item or service. Although we do not currently have an arrangement with any supplier to pay any rebates to us based on purchases by our franchisees, we do anticipate negotiating these types of arrangements in the future. There are no caps or limitations on the amount of rebates we may receive from suppliers as a result of franchisee purchases.

We may require that you purchase only from us or our affiliates certain branded items that we offer as well as certain advertising and marketing services. We or our affiliates are also the sole approved supplier of training. We or our affiliates may be the only approved suppliers for these items and services and we do not intend to approve another supplier for these items or services. We intend to earn a profit on any items or services we sell to you, including those described above.

In our fiscal year ended December 31, 2024, we did not receive any revenues from the sales or leases of required goods and services to our franchisees. In our fiscal year ended December 31, 2024, neither we nor our affiliates received any payments or other consideration from suppliers for purchases by our franchisees. Our officers do not own any interest in any of our suppliers other than any affiliates of ours and in our approved supplier for real estate lease assistance and negotiation and construction management services.

Computer and Technology Hardware, Computer Software, and Technology Services

You must purchase and use at a minimum, 1 personal computer or tablet per staff member and 1 printer (with scanning and faxing capabilities). You must also purchase modems, routers, and access points for secure Wi-Fi throughout your Franchised Business and security systems and cameras for your Franchised Business. All of these items must meet our specifications, including those related to model, brand, and functionality, but can be purchased from any vendor. Each of the computers discussed above must contain the computer software and technology services we require, or have access to the software and technology services we require, which currently include the EMR/PR System we designate, medical and insurance billing software, accounting software, inventory management, point of sale (POS) and client relations management (CRM) systems, phone and security software, educational systems and software, payment and invoicing software, business management software, learning management system, appointment management system, booking system, event ticketing system, and Microsoft Office 365 and QuickBooks. All of these items must meet our specifications, including those related to model, brand, and functionality, but can be purchased from any vendor unless we specify specific vendors for those software or services. We have a single designated vendor for the EMR/PR System. For computer software and technology services not provided through us, you must obtain sufficient licenses to use these programs from our approved vendors.

Insurance

Your insurance coverage must meet our specifications, including type, amount, minimum deductibles, insurance carrier rating, additional insured designations, co-defense requirements, and subrogation waivers. Your insurance policies must name us as an additional named insured, and you must provide us a certificate of insurance before you open your Franchised Business. We currently require you to carry, at a minimum:

- General Liability Insurance coverage of $1,000,000 per occurrence and $3,000,000 general aggregate, per location (including personal and advertising injury, damage to rented premises and fire damage legal liability of not less than $300,000, and medical payments coverage).

- Medical Malpractice (also known as E&O or Professional) Liability Insurance coverage (including telemedicine, consent to settle endorsement, HIPAA violation defense endorsement, licensing board protection defense endorsement, wage loss/deposition expenses, and reputation coverage) of $1,000,000 per occurrence and $3,000,000 aggregate.

- Umbrella Liability Insurance coverage of $1,000,000 per occurrence and $1,000,000 aggregate for up to 4 locations and $2,000,000 per occurrence and $2,000,000 aggregate for 5 to 9 locations.

- Property Insurance coverage (including business income and extra expense coverage of at least 12 months' income replacement and business personal property and tenant improvements and betterments at full replacement cost) and renters insurance policy.

- Workers Compensation and Employers Liability Insurance coverage in amounts required by law (including employers liability coverage of at least $500,000 per accident, $500,000 per employee, and $500,000 policy limit).

- Employment Practices Liability Insurance coverage of $500,000 per claim (including first and third party coverage and wage and hour defense sublimit of at least $25,000).

- Cyber Liability/Data privacy Insurance coverage of $1,000,000 policy aggregate (including first and third party coverage and cyber business interruption coverage).

- Sexual and Physical Abuse or Misconduct Liability Insurance coverage of $100,000 per occurrence and $300,000 aggregate.

We may require you to obtain some or all of these minimum required insurance coverages from our approved vendor or through our centralized/group insurance program for all franchisees, at your cost.

Approval of Alternative Specifications or Suppliers

If you want to purchase items or services for your Franchised Business that differ from our specifications or from a supplier we have not approved or for which we have not designated a single supplier, you must notify us in writing. If we request, you must submit samples and other information we require for testing or to otherwise determine whether the product, material, or supply meets our specifications and quality standards. You must also pay our current fee in consideration of our evaluation of an alternative supplier (up to $5,000 per request, plus reimbursement of our actual expenses). Although we do not make available the criteria we review when approving suppliers, we consider various factors including whether the product or service is consistent with our concept and brand; how the supplier and/or their products or services would enhance our brand; if the product or service is already available through other sources; would approval of another vendor enhance competition or dilute our ability to maximize pricing benefits for our franchisees; and is the product of a commercial quality with a proven record of durability. We will notify you of our approval or disapproval within 6 months of our receiving all requested information. We may revoke our approval of a supplier at any time for any reason.

Negotiated Prices

We may negotiate purchase arrangements with suppliers and distributors of approved products and services for the benefit of our franchisees.

Material Benefits

We do not provide any material benefits (for example, renewal or granting of additional franchises) based on your purchase of particular products or services or use of particular suppliers.

Cooperatives

We do not have any purchasing or distribution cooperatives as of the issuance date of this Disclosure Document.

ITEM 9.
FRANCHISEE'S OBLIGATIONS

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

Franchise Agreement		
Obligation	**Section in Agreement**	**Disclosure Document Item**
a. Site selection and acquisition/lease	Section 3; Lease Rider	Items 7 and 11
b. Pre-opening purchases/leases	Sections 3, 5, 6(a), 11, and 13	Items 7, 8, and 11
c. Site development and other pre-opening requirements	Sections 3 and 8	Items 7 and 11
d. Initial and ongoing training	Section 8	Items 5, 6, and 11
e. Opening	Sections 3(c), 5, 6(a), and 9(a)	Items 7 and 11
f. Fees	Sections 5 to 9, 16, and 19(f)	Items 5, 6 and 7

Franchise Agreement		
Obligation	**Section in Agreement**	**Disclosure Document Item**
g. Compliance with standards and policies/operating manual	Sections 8 and 9	Items 8, 11, 15, and 16
h. Trademarks and proprietary information	Sections 10, 12(d), and 14	Items 13 and 14
i. Restrictions on products/services offered	Sections 9 and 11	Items 8, 11, and 16
j. Warranty and client service requirements	Section 9	Items 6 and 16
k. Territorial development and sales quotas	Not Applicable	Not Applicable
l. Ongoing product/service purchases	Sections 5, 6(d), 9, 11, and 13	Items 5, 6, and 8
m. Maintenance, appearance, and remodeling requirements	Sections 3, 9(i), and 11	Items 5 and 6
n. Insurance	Section 13	Items 7 and 8
o. Advertising	Section 6	Items 5, 6, 7, and 11
p. Indemnification	Sections 21(b) and 21(c)	Item 6
q. Owner's participation/ management/staffing	Section 9	Item 15
r. Records and reports	Sections 12(a) and 19(d)	Item 8
s. Inspections and audits	Sections 12(b) and 12(c)	Not Applicable
t. Transfer	Section 16	Item 17
u. Renewal	Section 2	Item 17
v. Post-termination obligations	Section 19	Item 17
w. Non-competition covenants	Section 15	Items 15 and 17
x. Dispute resolution	Section 20	Item 17
y. Other: Guaranty of franchise obligations (Note 1)	Guaranty (which follows the Franchise Agreement)	Item 15

Notes

Note 1. Each individual who is an owner of any business entity that is the franchisee, and their spouse, must sign a personal guarantee of all the obligations of the franchisee. This guarantee also includes an agreement to be bound by the confidentiality and noncompete provisions of the Franchise Agreement.

ITEM 10.
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

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 Assistance

Before you open your Franchised Business, we will:

1. Designate your Protected Area (Franchise Agreement – Section 4) and review and approve the location for your Franchised Business (Franchise Agreement – Section 3).

2. Provide an Initial Training Program for the operation of the Franchised Business (Franchise Agreement – Section 8(a)).

3. Provide pre-opening and opening supervision assistance by our personnel at your location (Franchise Agreement – Section 8(b)).

4. Provide a list of approved suppliers and written specifications for your equipment, signs, fixtures, opening inventory, supplies, and other items (Franchise Agreement – Section 11).

5. Use your Opening Marketing Plan Fee for local advertising, marketing, and promotion for the opening of your Franchised Business in accordance with an opening marketing plan we develop (Franchise Agreement – Section 5(f)).

6. Loan to you during the term of the Franchise Agreement one copy of our Operations Manual. The Operations Manual contains mandatory and suggested specifications, standards, and operating procedures for your Franchised Business, as well as information relative to other obligations you have in the operation of the Franchised Business. We may provide our Operations Manual electronically only, in our discretion. We may modify the Operations Manual periodically in our discretion. (Franchise Agreement – Section 8(g)). As of the issuance date of this Disclosure Document, the Operations Manual contacts 214 pages. A copy of the table of contents of our Operations Manual is attached to this Disclosure Document as Exhibit C.

Post-Opening Assistance

During the term of the Franchise Agreement and so long as you are not in default under the Franchise Agreement, we will:

1. Provide you an advisory service by telephone, or other digital, virtual, or electronic means or at our home office concerning the operation of your Franchised Business (during normal business hours) (Franchise Agreement – Section 8(b)).

2. Provide up to 5 days per calendar year of refresher training in the operations and marketing of the Franchised Business You must pay our current training fee for this refresher training plus you must reimburse our travel, lodging, meals, and related expenses we incur if we conduct the training at your Franchised Business or other location. (Franchise Agreement – Section 8(e)).

3. Provide optional additional assistance that you request and we agree to provide, or mandatory additional assistance. You must pay our current charge for any additional assistance plus you must reimburse our travel, lodging, meals, and related expenses we incur if we conduct the training at your Franchised Business or other location. (Franchise Agreement – Sections 8(c) and 8(d)).

4. Maintain and administer the Brand Fund (Franchise Agreement – Section 6(a)).

5. Host a subpage on our or our affiliate's website to list your Franchised Business (Franchise Agreement – Sections 6(d) and 6(e)).

Optional Assistance

During the term of the Franchise Agreement, you will be responsible for setting your own pricing and rates for the products and services you offer. We may, but are not obligated to, implement pricing policies, such as maximum price policies, and minimum advertised price policies, and you must abide by these policies, to the extent allowed by applicable law (Franchise Agreement – Section 11(c)).

Training

Initial Training Program

Before you open your Franchised Business, we will provide our Initial Training Program to you, your Director, manager, and your BCBA (up to 4 people). This requirement also applies to any subsequent Director, manager, or BCBA for your Franchised Business. In most cases, we will require that you complete the Initial Training Program 60 to 90 days before you open the Franchised Business. We do not charge for the Initial Training Program for you, your Director, you manager, and your BCBA (up to 4 people) attending the same training sessions.

You, your Director, your manager, and your BCBA must complete the Initial Training Program to our satisfaction. If you, your Director, your manager, or your BCBA do not complete the Initial Training Program, we can terminate your Franchise Agreement and we will not refund the Initial Franchise Fee or any other amounts you have paid for the franchise (Franchise Agreement – Section 8(a)). If any of your initial attendees fails to complete the Initial Training Program and an additional attendee attends in their place or you send another Director or BCBA, as applicable, to complete any portion of the Initial Training Program (including after you open your Franchised Business), with our approval, then you must pay us our then-current training fee (currently $2,500) plus any travel, lodging, meals, and related expenses we incur if we accept your request for us to send a trainer to conduct the training at your Franchised Business or other location (Franchise Agreement – Section 4.A.). You must pay for all travel, lodging, meals, and related expenses which you and any of your attendees incur in connection with training.

We offer the Initial Training Program as needed for new franchisees. There currently are no fixed (i.e., monthly or bimonthly) training schedules. Our Initial Training Program as of the issuance date of this Disclosure Document consists of approximately 3 to 5 days of training. A breakdown of the Initial Training Program as of the issuance date of this Disclosure Document is as follows:

INITIAL TRAINING PROGRAM			
Subject	**Hours of Classroom Training**	**Hours of On-The-Job Training**	**Location**
History of ACT	0.50	0	Illinois
Use of the Operations Manual	1.00	0	Illinois
Tour of ACT Business	0.25	0	Illinois
Pre-Opening Procedures	1.50	0	Illinois
HIPAA and Basic Cyber Security Training	2.00	0	Illinois
Billing and Collections	1.50	0	Illinois
Advertising and Marketing	0.50	0	Illinois
Management Procedures	1.00	0	Illinois
Franchise Reporting Requirements	0.50	0	Illinois
Accounting/Recordkeeping	0.50	0	Illinois
Electronic Medical Records and Practice Management Software	2.00	0	Illinois
Customer Service Procedures/Satisfaction	1.50	1.5	Illinois
Scheduling	0.50	0	Illinois
Staffing/Performance Management	1.50	0	Illinois
Inventory/Equipment Management	0.50	0	Illinois
Safety Procedures	0.25	0	Illinois
Documentation	0.25	0	Illinois
Cleaning Procedures	0.50	0	Illinois
Total	**16.25 hours**	**1.5 hours**	

The classroom training will be held in a conference room setting, or may be provided to you via webinar or other online/electronic method that allows us to administer, track, and deliver e-learning education courses and training via a software application. The on-the-job training will be held at one of the ACT businesses owned by our affiliate. The training is provided by Shaden Kassar (who has been with us and offered training since September 2021) and Wassim Al Mala (who has been with us and offered training since January 2023). Our Operations Manual and demonstrations of the software used by our affiliate in operating ACT businesses will all be used during the Initial Training Program.

Refresher Training

We may require that you participate in up to 5 days per calendar year of refresher training in the operations and marketing of the Franchised Business (Franchise Agreement – Section 8(e)). This refresher training may held, at our option, at our offices in Illinois, virtually, at the location of an ACT business owned by you or our affiliate, or at an annual conference of franchisees which we can require you to attend once per calendar year. You must pay our current training fee for this refresher training (currently, $500 per day) plus you must reimburse our travel, lodging, meals, and related expenses we incur if we conduct the training at your Franchised Business or other location. The cost for this training must be paid before the training begins. We may require that in addition to you, your Director, your manager, and your BCBA attend this refresher training. You must also pay for all travel, lodging, meals, and related expenses which you and any of your attendees incur in connection with training.

Additional Assistance

We may also provide optional additional assistance that you request and we agree to provide, at our current charges for additional training (Franchise Agreement – Section 8(c)). You must pay our current charge for any optional training (currently, $150 to $500 per hour) plus you must reimburse our travel, lodging, meals, and related expenses we incur if we accept your request for us to conduct the training at your Franchised Business or other location. The cost for this training must be paid before the training begins. You must also pay for all travel, lodging, meals, and related expenses which you and any of your attendees incur in connection with training.

We may also provide mandatory additional assistance in addition to our refresher training (Franchise Agreement – Section 8(d)). If we provide it, you or one of your staff members that we approve must attend the training. This training will be held periodically depending upon the need for the training. You must pay our current charge for any mandatory training (currently, $150 to $500 per hour) plus you must reimburse our travel, lodging, meals, and related expenses we incur if we conduct the training at your Franchised Business or other location. The cost for this training must be paid before the training begins. You must also pay for all travel, lodging, meals, and related expenses which you and any of your attendees incur in connection with training.

Site Selection and Opening

You are responsible for obtaining your site location. You must obtain our approval of the site location and the lease. The factors which we may (but are not required to) consider for our approval include demographic radius characteristics and growth factors in the area, traffic patterns, ease of access, parking, visibility, allowed signage, competition from other businesses providing similar products and services, the proximity to other businesses, the nature of the businesses in proximity to the proposed site, and other commercial characteristics (including rental obligations and other lease terms for the proposed site), and the size, appearance and other physical characteristics of the proposed site location (Franchise Agreement – Section 3).

Before you open your Franchised Business, we will provide general guidelines to you for the selection of sites for your Franchised Business, and review any proposed sites you select. It will, however, be your obligation to select the site for your Franchised Business and to obtain our approval (Franchise Agreement – Section 3). You must submit to us information and materials we require and obtain our approval of the site. Your Franchised Business will generally be located in a commercial area. You must also provide us with a copy of your lease or sublease so that we can confirm that it meets the requirements of the Franchise Agreement. We will typically approve or reject a proposed site within 15 days of your complete submission of the site information we require. You must actively find, negotiate, and sign a lease for your Franchised Business within 6 months of signing your Franchise Agreement, and if you fail to obtain property control for the approved premises of your Franchised Business within 6 months of your signing of the Franchise Agreement, we can terminate your Franchise Agreement and retain all amounts you have paid to us (Franchise Agreement – Section 3).

Although we provide you with prototypical plans and specifications for a Franchised Business, we do not conform the premises to local ordinances and building codes or obtain any required permits for you, and we do not construct, remodel, or decorate the premises. We do not own any premises that we lease to you.

Opening

You may not open your Franchised Business until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled and you are current on all amounts due to us and our affiliates; (2) our Initial Training Program has been completed to our satisfaction and you certify that you have provided all of your employees and contractors with the training we require; (3) you have furnished us with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums we request; (4) you notify us that all approvals and conditions in the Franchise Agreement have been met; and (5) you have obtained all required permits, licenses, and credentialing, and provide evidence of these to us (Franchise Agreement – Section 3).

You must open your Franchised Business within 12 months of the date you sign your Franchise Agreement (Franchise Agreement – Section 3). If you do not, we can terminate your Franchise Agreement and retain all amounts you have paid to us (Franchise Agreement – Section 3).

The typical length of time between the signing of the Franchise Agreement and the opening of your Franchised Business is 6 to 12 months. Some of the factors affecting this length of time include obtaining a satisfactory site; negotiating a lease; your financing arrangements; completion of leasehold improvements; delivery and installation of equipment and signage; weather conditions; employee hiring and training; structuring the ownership of your Franchised Business under applicable local, state, and federal laws; obtaining any licenses; and insurance credentialing.

Advertising and Marketing

Brand Fund

We will administer an ACT system-wide advertising and marketing fund (the "Brand Fund") for the advertising and marketing programs as we may deem necessary or appropriate. You must contribute to the Brand Fund an amount we require, up to 3% of the Gross Sales of your Franchised Business (Franchise Agreement - Section 6(a)). All our franchisees must contribute to the Brand Fund. ACT businesses that we or our affiliates own contribute to the Brand Fund as well, but may do so at a different rate than franchisees. We do not guarantee that expenditures from the Brand Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We also have no obligation to conduct marketing. It is our responsibility to determine how these monies are spent. We are not required to use monies in the Brand Fund to benefit any individual market.

We account for the contributions to the Brand Fund separately from our other revenues, and we do not use them to pay any of our general operating expenses other than our costs of administering the Brand Fund and for creative services, including salaries and overhead of the individuals performing these tasks. The purpose of the Brand Fund is to develop and implement marketing programs and materials that benefit the ACT brand and promote the Marks. We will direct all advertising and marketing programs financed by the Brand Fund, with sole discretion over the creative concepts, materials and endorsements used, methods and media employed, contents of advertising, terms and conditions of advertising campaigns and promotional programs, and the geographic, market and media placement and allocation. We may create marketing materials in-house or use national, regional, and local agencies. Advertising may be placed in local, regional, or national media of our choice, including print, direct mail, electronic and online advertising, radio, or television. The Brand Fund may be used to pay the costs of preparing advertising materials and administering national, regional and local advertising programs and public relations activities including creating direct mail and media materials which may include print, television, radio and billboards, formulating advertising and marketing programs, developing and maintaining website and Internet-based advertising and marketing programs, Internet search engine campaigns and search engine optimization, social media, the cost to maintain and update our or our affiliate's websites and web pages, intranet development and ongoing operation, toll-free locator services, email systems and services, creation and management of loyalty, membership, and gift card program(s), employing advertising agencies, research and development for future potential products or services, events or charitable sponsorships, memberships in professional and community organizations and other organizations to encourage business development, and providing brochures and other advertising and marketing materials, participating in national or regional trade shows, and the reasonable cost of administering the Brand Fund, including professional fees, the cost of salaries and fringe benefits paid to our employees engaged in administration of the Brand Fund and creative services, and overhead allocated to advertising activities.

We may establish, acquire, or host any website(s) to advertise, market, and promote ACT businesses, the products and services that they offer and sell, and/or an ACT franchise opportunity (each a "Franchise System Website"). We will provide you with a webpage or website listing on a Franchise System Website that references your Franchised Business for informational purposes only. If we provide you with a webpage on a Franchise System Website, you must: (1) provide us the information and materials we request to develop, update, and modify your webpage; (2) notify us whenever any information on your webpage is not accurate; and (3) if we give you permission to modify your webpage, notify us whenever you change the content of your webpage about what has changed and when. We will own all intellectual property and other rights in all Franchise System Website, including your webpage and all information it contains (including the domain name, any associated URL or email address, any website analytical data, and any personal or business data that visitors supply). We may use Brand Fund assets to develop, maintain and update any Franchise System Website. We periodically may update and modify any Franchise System Website (including your webpage). We have final approval rights over all information on any Franchise System Website (including your webpage). We may implement and periodically modify system standards relating to any Franchise System Website.

Except as provided above, or as approved by us in writing, you may not develop, maintain or authorize any website, domain name, URL address, email address, social media profiles or accounts, other online presence or other electronic medium that mentions your Franchised Business, links to any Franchise System Website or displays any of the Marks, or engages in any promotional or similar activities, whether directly or indirectly, through or on the Internet, or any other similar proprietary or common carrier electronic delivery system.

We may spend in any fiscal year an amount greater or less than the aggregate contribution of all ACT businesses to the Brand Fund in that year and the Brand Fund may borrow from us or other lenders to cover deficits of the Brand Fund or cause the Brand Fund to invest any surplus for future use by the Brand Fund. A report of receipts and disbursements of the Brand Fund, which may be audited, will be prepared annually by us and will be furnished to you upon written request. Currently we have not determined whether or not the Brand Fund will be audited; we will make that decision at a later date.

We will have the right, in our sole discretion, to suspend contributions to and operation of the Brand Fund for one or more periods that we determine to be appropriate and the right to terminate the Brand Fund upon 30 days' written notice to you. All unspent monies on the date of termination will be distributed to us, our affiliates and our franchisees in proportion to their respective contributions to the Brand Fund during the preceding 12-month period. We will have the right to reinstate the Brand Fund upon the same terms and conditions set forth in the Franchise Agreement upon 30 days' prior written notice to you.

For the year ending December 31, 2024, we neither collected nor spent any Brand Fund contributions for the ACT system. We will not spend any portion of the Brand Fund for advertising that is principally designed to solicit the sale of franchises.

There are currently no advertising councils. If we form one, we anticipate it will only be advisory, as we will make all final decisions as to the use of the Brand Fund.

Local Advertising and Marketing

When you sign your Franchise Agreement, you must pay an Opening Marketing Plan Fee of $3,000 to $6,000 per Franchised Business, depending on your market and Protected Area. We will use your Opening Marketing Plan Fee for local advertising, marketing and promotion of the opening of your Franchised Business in accordance with an opening marketing plan we develop.

In addition to the Brand Fund Contribution, once your Franchised Business opens, you must spend at least $1,000 per calendar quarter on approved local advertising and marketing activities for your Franchised Business (Franchise Agreement - Section 6). We may review your books and records periodically to determine your expenditures for advertising and promotion and you must submit an accounting of your expenditures for within fifteen (15) days of the end of each calendar quarter. If you do not meet this quarterly requirement, we may require you to contribute to the Brand Fund the difference between what you actually spent on approved local advertising and marketing and the minimum that you were required to spend on approved local advertising and marketing. Indirect costs you incur in managing your local advertising and marketing campaigns, such as salaries and benefits of your employees or compensation paid to marketing agencies, will not count towards these minimum expenditure requirements. Additionally, any costs you incur for paid media advertising where keyword strategy or pay-per-click tactics are used and advertising conducted at your Franchised Business (such as grand opening marketing expenses, in-center materials, and signage or banners) will not count towards these minimum expenditure requirements.

Before your use of them, samples of all local advertising, promotion and public relations materials not prepared or previously approved by us must be submitted to us for approval. If you do not receive written disapproval within 14 days after the date of receipt by us of the materials, the materials will be deemed to be approved by us for use. You may not use any advertising, promotion or public relations materials that we have disapproved. (Franchise Agreement - Section 6). Although we must approve all local marketing you engage in, you are ultimately responsible for ensuring that your advertising and marketing complies with all applicable laws before implementing it.

Although we can require you to, we do not currently require our franchisees to participate in a local or regional advertising cooperative. If we do, we will define the area of membership of the cooperative and determine how much you must contribute to the cooperative. Amounts you contribute to the cooperative will be credited towards the minimum local advertising and marketing spend requirement. If we establish a cooperative in a market serviced by ACT businesses we or our affiliates own, they will participate in the cooperative too. We will be responsible for administering any cooperatives (Franchise Agreement – Section 6(g)). We do not anticipate any cooperatives will operate from governing documents or prepare annual or periodic financial statements, but if they do, we will make them available to you upon request. We have the power to form, change, dissolve, or merge these cooperatives.

Computer Software and Technology Services

You must purchase and use at a minimum, 1 personal computer or tablet per staff member and 1 printer (with scanning and faxing capabilities). You must also purchase modems, routers, and access points for secure Wi-Fi throughout your Franchised Business and security systems and cameras for your Franchised Business. All of these items must meet our specifications, including those related to model, brand, and functionality, but can be purchased from any vendor. We estimate the total cost to purchase the items above to be about $3,000 to $5,000. Each of the computers discussed above must contain the computer software we require, or have access to the software or technology services we require. The software and technology services are not proprietary to us. Some of the software and technology services will come preinstalled on a computer. For programs that are not preinstalled, you will need to purchase them and install them on your computer or access them through the Internet. We currently require that you use our designated accounting and bookkeeping systems through QuickBooks and the EMR/PR System. The EMR/PR System includes management tools integrating scheduling billing functions, and document management. You will license the EMR/PR System directly from our vendor. You must also purchase Microsoft Office 365 (from any vendor). Subject to applicable law related to patient privacy and medical records, we have independent access to your information and data.

Ongoing Maintenance and Use

We are not obligated to provide you with ongoing maintenance, repairs, upgrades, or updates to the technology discussed above. We anticipate that you will be required to upgrade or update your technology during the term of the franchise, and there are no contractual limitations on the frequency and cost of the obligation. We do not have any contractual obligation to upgrade or update any of your hardware or software during the term of this franchise. We estimate that you will spend approximately $2,000 to $3,000 annually on maintenance and support contracts for the technology discussed above.

ITEM 12.
TERRITORY

Approved Location

The Franchise Agreement grants you the right to operate a single Franchised Business under the names "Autism Care Therapy" and "ACT" from a single location that we must approve either at the time you sign your Franchise Agreement or, if you have not identified a location that we approved when you signed the Franchise Agreement, then you will select a location to be approved by us and obtain property control within 6 months after signing the Franchise Agreement. Once you identify a location for your Franchised Business, and we approve that location, we will update your Franchise Agreement to identify this approved location.

Protected Area

At that time, we will also grant you a territory within which this site is located. We refer to this territory as the "Protected Area" and we will describe it in your Franchise Agreement upon approval of your location. The exact size of the Protected Area will depend upon various factors including natural boundaries like highways and bodies of water, the demographics of the metropolitan area, whether your Franchised Business is located in an urban, suburban, or rural area, and the size of your Franchised Business, but will generally be a 1-mile radius around your Franchised Business location. If no description of the Protected Area is specified in your Franchise Agreement after we have approved the Franchised Business location and the lease for the Franchised Business location, then the Protected Area will be a 1-mile radius around your Franchised Business location. Your location may not be located within the Protected Area of another ACT franchisee; however, your Protected Area may overlap with the protected area of another ACT franchisee.

As long as you are in compliance with your Franchise Agreement and any other agreements with us and any of our affiliates, we will not operate or grant a third party the right to operate a behavioral therapy center providing Applied Behavior Analysis (ABA) therapy, speech therapy, or occupational therapy services to individuals with developmental disabilities under the "Autism Care Therapy" and "ACT" marks that is physically located in your Protected Area, except we can operate or grant a third party the right to operate any of the following in your Protected Area or elsewhere under the "Autism Care Therapy" and "ACT" marks or otherwise, even if they compete with your Franchised Business:

- A business that operates in a self-contained location serving a restricted or limited population (such as corporate campuses, military bases, schools and colleges, or hospitals).
- A business that provides in-home, virtual, or online therapy products and services.

Other ACT businesses may also sell products or services competitive with those sold by your Franchised Business at homes of clients or virtually (if we permit) within or outside your Protected Area. We can also acquire businesses in the Protected Area that are similar to your Franchised Business or sell our business, whether through a sale of assets or equity, to anyone, regardless whether they operate or franchise the operation of businesses similar to your Franchised Business. Other than the above limitation, there are no other prohibitions on us in your Protected Area. For example, we can operate or allow others to operate similar or identical business outside of your Protected Area under the “Autism Care Therapy” and “ACT” marks or under any other trademarks even if the businesses compete with your Franchised Business in your Protected Area. We can also operate or allow others to operate businesses inside the Protected Area under any marks, including the “Autism Care Therapy” and “ACT” marks, if the businesses do not provide behavioral therapy services. We can sell any products we or our affiliates provide to you for use in your Franchised Business to any person, whether in or outside your Protected Area. We can sell or grant third parties the right to sell products or services competitive with those sold by your Franchised Business under the “Autism Care Therapy” and “ACT” marks or otherwise through other distribution channels including the Internet, catalog sales, telemarketing, or other direct marketing, in and outside of your Protected Area.

Although we have reserved our right to do so, neither we nor our affiliate currently operates, franchises, or plans to operate a business under a different trademark that would sell products or services similar to those that you would offer through your Franchised Business.

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 we control.

Restrictions Regarding Clients

You will use the approved location to operate your ACT business and to offer services to clients. However, we do not restrict the clients that you may service, and you may solicit clients outside your Protected Area, if you are licensed to provide the applicable services to these clients and you obtain our prior approval for all services you offer through your Franchised Business. You will provide services to clients from the approved location of your Franchised Business, but you may also provide in-home services to clients. However, we may prescribe the boundaries beyond which you may not offer in-home services, and the standards and specifications for the services in order to preserve the quality and reputation of the services provided and in the interests of clients as we may determine.

We recommend that you focus your marketing efforts on developing the Franchised Business within or around your assigned Protected Area, provided that you may market the Franchised Business and solicit clients and referrals anywhere within the state in which the Franchised Business is located if you are licensed to provide the applicable services to these clients. However, although you can solicit clients outside of your Protected Area, you are prohibited from selling products or services by the Internet or by mail order or catalog and you do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales, unless we approve otherwise. Other ACT businesses may also solicit and provide services to clients in or around your Protected Area and may compete with you for the same clients, and may offer in-home services to clients in your Protected Area.

We reserve the right to assign a potential client or referral that we receive to any ACT business based on our current policies and appointment availability as we determine in the interests of the client, regardless of proximity of the client to your Franchised Business and without any obligation or compensation to you.

Rights of First Refusal and Similar Rights

You do not receive any options, rights of first refusal or similar rights to acquire additional franchises. If you desire to open another ACT business from a different location, you must acquire an additional franchise from us. We will not pay you any compensation for soliciting or accepting orders in your Protected Area.

Relocation

If you want to relocate your Franchised Business, you must notify us in writing and pay us a relocation fee of $10,000 at least 60 days before the relocation. In addition, for any supervision or assistance by our personnel at your location around when the Franchised Business re-opens to the public, you must pay us our current additional assistance fee for our personnel, plus you must reimburse our travel, lodging, meals, and related expenses we incur in providing this additional assistance. We reserve the right to refuse to approve a proposed relocation in our discretion, including if we believe that the proposed relocation does not meet our current standards for site selections or if the proposed relocation is within the Protected Area of another ACT business. Our judgment may be based on factors such as the proximity to existing or proposed locations owned by other franchisees or us, the suitability of the proposed facilities, compliance with our current franchise location requirements, the competitiveness within the marketplace, or other factors. We may change your Protected Area to our current standards for the grant of similar territories if we approve your relocation.

ITEM 13.
TRADEMARKS

The Franchise Agreement gives you the right to operate a Franchised Business under the trade names, trademarks, and service marks that we establish.

Principal Marks

We consider the following trademarks, which are pending registration on the Principal Register of the United States Patent and Trademark Office ("USPTO"), to be our principal Marks:

Trademark	Application Number	Application Date
ACT AUTISM CARE THERAPY Compassionate Care.	99106801	March 27, 2025
ACT	90906194	August 27, 2021

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

We obtained the rights to use the "ACT" service mark listed above, the "Autism Care Therapy" name, and other marks, logos, commercial symbols, and other intellectual property owned by our affiliate ABT, and to license others to use these items, under an Intellectual Property License Agreement dated April 1, 2025, between us and ABT. Under the terms of that Intellectual Property License Agreement, our affiliate may continue to operate its own Autism Care Therapy businesses under these or other Marks. We are not restricted in any way in which we use these items and the length of the Intellectual Property License Agreement is indefinite. We therefore essentially have all the rights as the owner of the intellectual property to license others to use the intellectual property. If this Intellectual Property License Agreement were terminated you would have to stop using the Marks and all other intellectual property licensed to us under the Intellectual Property License Agreement.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceedings, or any pending material litigation involving any of our Marks which are relevant to the use of these Marks. No currently effective litigation affects our use or rights in any of these Marks. Except as disclosed above, no currently effective agreement limits our right to use or license the use of these Marks. All affidavits required to preserve and renew the principal Marks disclosed above will be filed. We do not know of any infringing uses that could materially affect your use of these Marks.

Usage Rights and Obligations

You must follow our standards when you use our Marks. You may not use any of our Marks alone or with modifying words, designs, or symbols as part of a corporate or business name or in any form on the Internet, including URLs, domain names, hash tags, e-mail addresses, locators, links, metatags, or search techniques. You may not use any of our Marks for the sale of any unauthorized product or service or in a manner we have not authorized in writing.

We have an obligation to protect and maintain your rights to use the Marks against encroachment, misuse, or unauthorized use or against any challenges to any rights of use. You must notify us immediately when you learn about an infringement of or challenge to your use of these Marks. We may take the action necessary, in our sole discretion, to prevent the unauthorized use of the Marks, including bringing actions against third parties regarding the use of any of the Marks, but the Franchise Agreement does not require us to take any specific affirmative action. We will control any administrative proceedings or litigation involving the Marks. You must cooperate with us and take all actions we require to carry out the defense or prosecution. We are not required to defend you against a claim based on your use of the Marks.

We may change the Marks and require you, at your cost, to adopt new marks as if they were part of the Franchise Agreement at the time you sign it. You must comply with these changes immediately after we notify you that we have discontinued, modified, or changed one or more of the Marks. We will have no liability or obligation, and you will have no right to compensation or otherwise, because of the discontinuation, modification, or change. You must not directly or indirectly contest the validity of the Marks or our right to use or license the Marks, trade secrets, confidential information, or business techniques that are part of our System. You must use the designations of ®, TM, and SM in advertising and promotions using the Marks, as we designate.

ITEM 14.
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or pending patent applications that are material to the purchase of the franchise. We and our affiliates claim copyright protection of our Operations Manual and related materials, our therapy programs and materials, books and guides, and to advertising and promotional materials, forms, and related materials that we produce, but we have not registered any of these materials with the Copyright Office of the Library of Congress. These materials are proprietary and confidential and are our property. You may use them only as long as you are a franchisee, and only as provided in your Franchise Agreement. We may change these items at any time and you must modify your operations to comply with these changes. We will have no liability or obligation because of the discontinuation, modification, or change of any item.

There are no currently effective material determinations of the USPTO, the United States Copyright Office, or a court regarding the copyrighted materials nor are any proceedings pending. There are no currently effective agreements between us and third parties pertaining to our copyrighted materials that will or may significantly limit your use of our copyrighted materials. We are not aware of any infringing uses of these materials that could materially affect your use of these materials. We are not required by any agreement to protect or defend our copyrights.

We will be disclosing to you certain information we believe to be confidential or proprietary information and trade secrets. This will be included in our manuals, and in materials we may separately provide you. These materials include all trade secrets, knowledge or know-how, confidential information, advertising, marketing, designs, plans, forms, administrative support systems, credentialing, vendor and supplier information, training, and methods of operation. You may use these materials, in the manner we approve, only in the operation of your Franchised Business during the duration of your Franchise Agreement. You may disclose this information to your staff but only to the extent necessary to operate the Franchised Business, and only while your Franchise Agreement is in effect. However, you may not use these materials in any other way for your own benefit, or communicate or disclose them to, or use them for the benefit of, any other person or entity. You may not use any of our confidential or proprietary information for the purpose of machine learning, augmented human intelligence development, training any artificial intelligence ("AI") model, algorithm improvement, or similar data aggregation activities without our prior approval, and you may not, without our consent, input any confidential or propriety information into any generative AI platform, or disclose any information to any provider or source of generative AI services.

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

For the first 6 months after your Franchised Business opens, we require that you participate personally, on a full-time basis, in the operation and management of your Franchised Business. During this 6-month period, you may also have an on-site "Director", as described below, but you will still be responsible for the day-to-day operation of the Franchised Business on-site. After this 6-month period, we prefer that you participate personally, on a full-time basis, in the operation of your Franchised Business. Unless you appoint a separate Director, as described below, you will be the Director (if you are an individual) or an equity owner in you that we approve (if you are a corporation, limited liability company, partnership, or other business entity) will be the Director.

"Full time" requires the individual to be available during regular business hours, currently at least 9 a.m. to 5 p.m. Monday through Friday, and also during other times at which services are being provided to clients.

Director

You may delegate the day-to-day clinical operation of the Franchised Business to an on-site "Director", on a full-time basis, for the clinical operation and management of the Franchised Business and who is subject to the same non-disclosure limitations as you are. The Director must have full authority regarding all operational decisions about the Franchised Business and to communicate on your behalf with us. The Director must be a licensed provider under applicable law, and may be the BCBA of the Franchised Business. You or an equity owner of you that we approve may be the Director, or you may designate a Director who may, but is not required, to have an equity interest in you or the Franchised Business, who has successfully completed all training we require including the Initial Training Program, and who we have pre-approved to be the Director. In the event the Franchised Business loses its Director for any reason, you must appoint a successor Director that meets our requirements within 30 days of the date of separation of the immediately prior Director. The Franchised Business must at all times be under the continuous, direct, on-premises supervision of you or the Director.

Manager

You may also have one or more managers of the Franchised Business who are responsible for administrative operations of the Franchised Business and who are subject to the same non-disclosure limitations as you are. A manager may, but is not required, to have an equity interest in you or the

Franchised Business, but must successfully complete all training we require including the Initial Training Program.

Board Certified Behavior Analyst

In addition, the Franchised Business, including all individuals working with clients (*e.g.* technicians, interns, and assistants), must be continuously under the supervision of a designated supervising Board Certified Behavior Analyst ("BCBA") who is a full-time employee of the Franchised Business and who is subject to the same non-disclosure limitations as you are. You are solely responsible for ensuring that the Franchised Business, your BCBAs, and your technicians, at all times: (a) meet and maintain in good standing all legal and regulatory requirements necessary for the functions that they perform, and have all licenses, board certifications, individual screenings, and background checks as required; and (b) perform the services and conduct themselves in a professional and ethical manner consistent with the Professional Standards as well as industry standards. Unless required by applicable law, the BCBA does not need to have an equity interest in you or the Franchised Business but must successfully complete all training we require including the Initial Training Program.

If you operate in a jurisdiction that regulates the corporate practice of medicine and you are not a licensed BCBA (or certain other licensed medical professionals in certain instances), you may be prohibited from employing a licensed BCBA directly or from providing applied behavioral analysis services directly to the public unless you are a BCBA or certain other licensed medical professionals in certain instances. Instead, you may need to enter into an agreement with a BCBA to provide services of the Franchised Business to such BCBA (or their professional entity, as discussed below). If you are located in such a state, you are responsible for preparing an agreement that complies with your state's laws and which is subject to our pre-approval. You (and anyone who works for you) must not engage in the practice of applied behavior analysis, or any other profession that requires specialized training, licensure, or certification unless properly trained, licensed, and certified.

If Franchised Business no longer has a full-time designated supervising BCBA for any reason, (1) you must, within 24 hours of the separation of the supervising BCBA from the Franchised Business, notify us; (2) you must hire a successor BCBA and promptly have the successor BCBA complete training with us; (3) the Franchised Business may not be permitted to operate due to the lack of a supervising BCBA (however, all fees payable to us will continue to apply); and (4) in the event that the Franchised Business does not hire a successor supervising BCBA within 45 days of the date of separation of the prior supervising BCBA, we may terminate the Franchise Agreement.

Additional Licensed Providers

In addition to a BCBA, you may be required (based on applicable local, state, and federal laws and regulations or by us, in our discretion) to employ a Registered Behavior Technician(s), a Speech-Language Pathologist, and an Occupational Therapist. These licensed providers must possess and maintain the education, licensure, certifications, and qualifications we and applicable law require.

Guaranty

If you are a corporation, limited liability company, or partnership or you transfer your Franchise Agreement to a corporation, limited liability company, or partnership, you and any other owners (and your and their spouses) must sign a personal guaranty of all obligations under the Franchise Agreement.

ITEM 16.
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Approved Products and Services

You must offer and sell only those products and services which we have approved and which you are properly licensed, educated, and trained to provide through your Franchised Business under applicable law. You must also offer all products and services that we designate. Generally, your Franchised Business will use our System to provide in-home and in-center behavioral therapy services to individuals with developmental disabilities, including Applied Behavior Analysis (ABA) therapy, speech therapy, occupational therapy, and parental and school training (subject to our approval and depending on licensure, education, and training). All products and services provided by you must be presented in accordance with our standards and specifications. We have the right to change or restrict the types of products or services you may sell, and there are no restrictions on our right to make these changes or restrictions. You cannot operate other businesses from your Franchised Business. Your Franchised Business must accept cash/credit payments directly from clients, and may also accept third party reimbursements, including through insurance providers.

If you are not a BCBA, the corporate practice of medicine doctrine may restrict you from choosing or designating the medical equipment and supplies used by the Franchised Business or the licensed services and products offered, as well as restricting your oversight responsibilities and abilities. You must not engage in the practice of behavioral analysis, medicine, mental health, or any other profession that requires specialized training, licensure, or certification unless properly trained, licensed, and certified. Neither we nor the Franchise Agreement will interfere, affect, or limit the independent exercise of medical judgment by you or your providers. However, we require that your Franchised Business adhere to all Professional Standards and applicable laws including any state standards on applied behavioral analysis services and that your Franchised Business meet our minimum standards for client service.

Patients have complete freedom to select where and from whom to obtain behavioral healthcare services. We require, and many states also require, that any person who provides applied behavioral analysis through your Franchised Business pass all applicable licensing tests and board certifications, be a licensed BCBA according to state law, and maintain at all times all permits, licenses, and certificates necessary to provide these products and services. You may not employ or retain any person who does not meet these requirements, and under no circumstance may a non-licensed medical professional influence, or direct the supervision, administration, delivery, or performance of, medical or therapy services. You must obtain and maintain all required permits, licenses, and certificates necessary for the operation of the Franchised Business and for offering applied behavioral analysis.

You may not delegate or subcontract to any other party, or otherwise use resources outside the Franchised Business, to fulfill your obligations under the Franchise Agreement or to any client. We may require that your business observe specified days and hours of operation that may change. We can also implement pricing policies, such as maximum price policies, and minimum advertised price policies, and you must abide by these policies.

Restrictions on Clients

You may not provide products or services to a minor unless the minor’s parent or guardian signs a payment form or acknowledgment, the form of which we must approve, unless you are otherwise able to provide services to certain minors under your state laws. We do not place geographic restrictions or limits on the clients you may serve, so long as you are licensed to provide the applicable products or services to these clients and you obtain our prior approval for all products and services you offer through your Franchised Business. However, these products and services must be offered through in-center and in-home sessions only you may not offer any products or services online, remotely/virtually, or via telehealth sessions and workshops, except with our authorization. We may assign a potential client or referral that we receive to any ACT business based on our current policies and appointment availability as we determine in the interests of the client, regardless of proximity of the client to your Franchised Business and without any obligation or compensation to you.

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

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

THE FRANCHISE RELATIONSHIP		
Provision	**Section in Franchise Agreement**	**Summary**
a. Length of the franchise term	Section 2(a)	10 years
b. Renewal or extension of the term	Section 2(b)	If you are in good standing and you meet our conditions, you can renew your franchise for an additional 10-year period.
c. Requirements for you to renew or extend	Section 2(b)	Give written notice; sign new franchise agreement (which may have materially different terms and conditions than your original Franchise Agreement); upgrade your Franchised Business and update your equipment to comply with then-current standards; provide us with evidence of property control; provide us with evidence of licensure; sign general release; pay renewal fee.
d. Termination by you	Section 19(b)	You may terminate only if we default and do not cure our default after receiving notice from you (subject to state law).
e. Termination by us without cause	Not applicable	Not applicable.
f. Termination by us with cause	Sections 19(a) and 19(c)	We may terminate only if you default.
g. "Cause" defined – curable defaults	Section 19(a)	Most defaults are curable and you will have 30 days to cure (10 days for monetary defaults), subject to state law variations.

THE FRANCHISE RELATIONSHIP		
Provision	**Section in Franchise Agreement**	**Summary**
h. “Cause” defined – non-curable defaults	Section 19(a)	You lose the right to occupy your Franchised Business premises; you fail to timely obtain property control or open; you abandon the business; you or any of your owners engage in fraudulent conduct or are convicted of, or plead guilty or no contest to, certain crimes; you or any provider is disciplined or reprimanded by any governmental agency or licensing board; you maintain false books or records or submit any false or misleading application, statement, or report to us; you withhold our access to accounting and financial systems or data, revoke any electronic-funds transfer or direct debt authorization granted to us, or initiate any stop payments against us; you misuse the Marks or materially impair the value of, or the goodwill associated with the Marks or the System; or you or your affiliates is in default under any agreement with us or our affiliates.
i. Your obligations on termination/non-renewal	Section 19	Stop operating the Franchised Business; stop using our names and the Marks; return information to us; assign to us or cancel certain registrations, listings, telephone numbers, websites, and domain names; transfer client records to a third-party custodian or us, as we require and as required by applicable law; pay all amounts you owe us; and pay us liquidated damages based on the remaining term of your Franchise Agreement.
j. Assignment of contract by us	Section 16(a)	No restriction on our right to assign (subject to state law).
k. “Transfer” by you – defined	Section 16(b)	Includes transfer of the Franchise Agreement, Franchised Business, or equity interests in you (if you are a corporate, limited liability company, partnership, or other entity).
l. Our approval of transfer by franchisee	Section 16(c)	We must approve all transfers, but will not withhold our consent if all of the requirements for the transfer are met.
m. Conditions for our approval of transfer	Section 16(c)	Transferee must meet our requirements, including sign a new franchise agreement on our then-current form for the remaining term of your Franchise Agreement. (The new franchise agreement may have materially different terms and conditions than your Franchise Agreement, and we will require the transferee to pay us a new initial franchise fee.) You must also pay a transfer fee and sign a release (subject to state law).

THE FRANCHISE RELATIONSHIP		
Provision	**Section in Franchise Agreement**	**Summary**
n. Our right of first refusal to acquire your Franchised Business	Section 17	We can match any offer for your Franchised Business or an interest in the Franchised Business, including a sale between owners or between an owner and you, or for the property upon which the Franchised Business is located.
o. Our option to purchase your Franchised Business	Section 19(e)	Upon termination or expiration of your Franchise Agreement, we have the option to purchase any or all of your approved inventory, furniture, fixtures, and equipment, supplies, signs, and branded items at fair market value.
p. Your death or disability	Section 16(c)(2)	Your heirs can assume your rights, but if they do, they must meet the transfer requirements.
q. Non-competition covenants during the term of the franchise	Section 15(a)(1)	No involvement in a business, school, center, clinic, program, virtual or telehealth provider, or other venture that provides behavioral therapy services to individuals with developmental disabilities, including Applied Behavior Analysis (ABA) therapy, speech therapy, occupational therapy, and parental and school training.
r. Non-competition covenants after the franchise is terminated or expires	Section 15(a)(2)	For 2 years, no involvement in or lease to any business, school, center, clinic, program, virtual or telehealth provider, or other venture that provides behavioral therapy services to individuals with developmental disabilities, including Applied Behavior Analysis (ABA) therapy, speech therapy, occupational therapy, and parental and school training, and that is located in your Protected Area, a radius of 10 miles from the Protected Area, or a radius of 10 miles from any other Autism Care Therapy business, or with respect to virtual/telehealth providers, from where you office and provide services and where the patient is located.
s. Modification of the agreement	Section 23(h)	No modifications without consent by all parties, but our manuals are subject to change.
t. Integration/merger clause	Section 23(l)	Only the terms of the Franchise Agreement and other written agreements are binding (subject to state law). Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in this Disclosure Document, its exhibits, and amendments.

THE FRANCHISE RELATIONSHIP		
Provision	**Section in Franchise Agreement**	**Summary**
u. Dispute resolution by arbitration or mediation	Section 20	Except for certain disputes, all disputes must be first mediated, and if not settled by mediation, are then subject to arbitration.
v. Choice of forum	Section 20(c)	Subject to state law, forum will be in Illinois.
w. Choice of law	Section 23(b)	Subject to state law, Illinois law applies.

ITEM 18.
PUBLIC FIGURES

We currently do not use any public figure to promote the sale of franchises.

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.

The charts below present historical Gross Sales information for ACT franchised locations and ACT affiliate-owned locations, in each case that were open and operating for the period commencing January 1, 2024 and ending December 31, 2024 (the "2024 FY").

"Gross Sales", as used in this Item 19, means the total revenue of a location, including amounts received for co-pays, private payments, and insurance reimbursements. This includes income derived from insurance billing, private pay, consultation services, diagnostic and assessment services, and workshop or educational programs. Excluded from Gross Sales are amounts collected and remitted by a location to a governmental taxing authority in satisfaction of sales or occupation taxes. This definition is consistent with the definition of Gross Sales in the Franchise Agreement.

Historical Gross Sales Information of ACT Franchised Locations

As of December 31, 2024 there were 3 ACT franchised locations open and operating in the ACT franchise system. Of these 3 locations, 2 were open and operating for the entire 2024 FY (the "Franchised Locations"). We excluded 1 franchised location that opened in the 2024 FY. Of the Franchised Locations, the earliest opened in October 2022 and the latest in December 2022. All of these Franchised Locations are located in Illinois. Gross Sales information of the Franchised Locations for the 2024 FY is disclosed below:

	Gross Sales (2024 FY)
Franchisee No. 1	$7,100,904
Franchisee No. 2	$3,396,584

Historical Gross Sales Information of ACT Corporate Locations

As of December 31, 2024, there were 4 ACT locations operated by our affiliate. Of these locations, 3 operated for the entire 2024 FY (the "Corporate Locations"). 1 location was excluded because it opened in 2024 and did not operate for the entire 2024 FY. The earliest of the Corporate Locations opened in January 2021 and the latest in October 2021. All of these Corporate Locations are located in Illinois. The Gross Sales information of each of the Corporate Locations for the 2024 FY is disclosed by location below, along with certain other financial information:

	Chicago, Illinois	Lombard, Illinois	Oak Lawn, Illinois	Total Gross Sales	Average Gross Sales (Note 2)	Median Gross Sales
Gross Sales (2024 FY) (Note 1)	$1,042,957	$2,578,598	$4,245,158	$7,866,713	$2,622,238	$2,578,598

Note 1. Gross Sales as stated in our affiliate's books and records were not recorded by location. We allocated the Gross Sales based on the available bank statements of the affiliate. We note that Gross Sales from certain insurance providers (EPX and a portion of Meridian, which represent approximately 1.1% and 5.7% of Gross Sales, respectively, for the 2024 FY) could not be tied to a specific Corporate Location based on available reports. We allocated these Gross Sales pro-rata to the 3 Corporate Locations.

Note 2. 1 Corporate Location met or exceeded the average represented, representing 33% of the total number of Corporate Locations.

General Notes to this Item 19

Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.

All of the Franchised Locations and Corporate Locations offered substantially the same products and services as you are expected to offer.

We encourage you to consult with your own accounting, business, and legal advisors to assist you in preparing your budgets and projections, and to assess the likely or potential financial performance of your franchise. We also encourage you to contact existing franchisees to discuss their experiences with the system and their Franchised Businesses.

The Gross Sales amounts do not reflect the cost of sales, operating expenses, or other costs or expenses, that must be deducted from the Gross Sales figures to calculate net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business. Other franchisees may be one source of this information.

Several factors may affect the results disclosed above, including how long the ACT business has been open; the number of licensed providers and the ability of these providers to accept additional clients (workload), which may be restricted by applicable law; the licensed services offered by the providers; credentialing and your ACT business' ability to accept insurance; and the market size and population of the surrounding area. Further, reimbursement rates offered by insurance providers vary based on a variety of factors including the insurance provider, service offered and the applicable Current Procedural Terminology (CPT) code, licensure of the providers, and location (including city and state). Information included above is based on reimbursement rates in the applicable locations represented by the outlets.

All dollar amounts have been rounded to the nearest whole dollar and percentages to the nearest tenth of a percent.

Written substantiation for the financial performance representations above will be made available upon reasonable request. We have provided this information based on unaudited information provided to us by our affiliate and franchisees.

Other than as set forth above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised ACT businesses. 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 Shaden Kassar at ACT Franchising Corporation, 44 West Roosevelt Road, Lombard, Illinois 60148, (855) 5-AUTISM, 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 (Note 1)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	2	+2
	2023	2	2	0
	2024	2	3	+1
Company-Owned (Note 2)	2022	3	3	0
	2023	3	3	0
	2024	3	4	+1
Total Outlets	**2022**	**3**	**5**	**+2**
	2023	**5**	**5**	**0**
	2024	**5**	**7**	**+2**

Note 1. The numbers for each year are as of December 31.

Note 2. These outlets are owned by our affiliate, ABT.

Table No. 2
Transfers of Outlets from Franchisees to New Owners
For Years 2022 to 2024 (Note 1)

State	Year	Number of Transfers
All States	2022	0
	2023	0
	2024	0
Total	**2022**	**0**
	2023	**0**
	2024	**0**

Note 1. The numbers for each year are as of December 31.

Table No. 3
Status of Franchised Outlets
For Years 2022 to 2024 (Note 1)

State	Year	Outlets at Start of Year	Outlets Opened	Term-inations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Illinois	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Total	**2022**	**0**	**2**	**0**	**0**	**0**	**0**	**2**
	2023	**2**	**0**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**1**	**0**	**0**	**0**	**0**	**3**

Note 1. The numbers for each year are as of December 31.

Table No. 4
Status of Company-Owned Outlets
For Years 2022 to 2024 (Note 1)

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Illinois	2022	3	0	0	0	0	3
	2023	3	1	0	1	0	3
	2024	3	1	0	0	0	4
Total	**2022**	**3**	**0**	**0**	**0**	**0**	**3**
	2023	**3**	**1**	**0**	**1**	**0**	**3**
	2024	**3**	**1**	**0**	**0**	**0**	**4**

Note 1. The numbers for each year are as of December 31. These outlets are owned by our affiliate, ABT.

Table No. 5
Projected Openings
As of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in 2025	Projected New Company-Owned Outlet in 2025
Illinois	1	1	1
Indiana	0	1	0
North Carolina	0	1	1
Wisconsin	0	1	0
Total	**1**	**4**	**2**

The ACT businesses owned by our affiliate as of December 31, 2024 and the franchised ACT businesses open as of December 31, 2024 are listed in Exhibit D.

Exhibit D also lists the name, city and state, and the current business telephone number or, if unknown to us, the last known home telephone number, of the franchisees who transferred their franchises or had their franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily stopped doing business under their Franchise Agreement during the fiscal year ended December 31, 2024, or who had not communicated with us within 10 weeks of the issuance date of this Franchise Disclosure Document (there are 0 franchisees on this list). In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experiences in the ACT franchise system or their experiences with us. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have not created, sponsored, or endorsed any franchise organization and no independent franchisee organization has asked to be included in this Disclosure Document.

ITEM 21.
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit E is a copy of our audited financial statements for the fiscal years ending December 31, 2022, December 31, 2023, and December 31, 2024.

Attached to this Disclosure Document as Exhibit E is a copy of our unaudited financial statements for the 6-month period ending June 30, 2025. These financial statements have been prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no independent certified public accountant has audited these figures or expressed an opinion with regard to their content or form.

ITEM 22.
CONTRACTS

The following agreements and other required exhibits are attached to this Disclosure Document:

Exhibit A. Attached to this Disclosure Document as Exhibit A are state specific addenda to the Disclosure Document.

Exhibit F. Attached to this Disclosure Document as Exhibit F is a copy of the form Franchise Agreement, Lease Rider, state specific addenda to the Franchise Agreement, if any, Statement of Ownership and Management, and form of a Guaranty to be signed by shareholders of a corporate franchisee, members of a limited liability company franchisee, or partners of a partnership franchisee, if you are a corporation, limited liability company, or partnership. Also attached is a transfer form if you want to sell, assign, or transfer your Franchise Agreement to a corporation, limited liability company, or partnership you own and a general release you must sign if you want to sell, assign, or transfer your Franchise Agreement.

Exhibit H. Attached to this Disclosure Document as Exhibit H is a copy of the form Business Associate Agreement that you must sign.

Exhibit I. Attached to this Disclosure Document as Exhibit I is a copy of the form Records Custodial Agreement that you must sign to appoint us, if we elect, as records custodial for your client records upon termination or expiration of your Franchise Agreement.

Exhibit J. Attached to this Disclosure Document as Exhibit J is a copy of a sample Electronic Transfer of Funds Authorization authorizing us to initiate one-time, weekly, and/or monthly ACH debit and credit entries against your bank account for amounts that become due and payable by you to us or any affiliate.

Exhibit K. Attached to this Disclosure Document as Exhibit K is a Franchisee Questionnaire you must complete at the time you purchase a franchise.

ITEM 23.
RECEIPTS

The last 2 pages of this Disclosure Document are detachable documents acknowledging receipt of this Disclosure Document. Please sign both receipt pages and return one to us.

EXHIBIT A
STATE SPECIFIC ADDENDA
TO DISCLOSURE DOCUMENT

ADDENDUM TO
AUTISM CARE THERAPY
FRANCHISE DISCLOSURE DOCUMENT
FOR THE
STATE OF CALIFORNIA

Notwithstanding anything to the contrary in the Autism Care Therapy Franchise Disclosure Document or Franchise Agreement, the following provisions shall supersede and apply to Autism Care Therapy franchises offered and sold in the state of California:

This California Addendum is only applicable if you are a resident of California or if your business will be located in California.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner.

1. Pursuant to California Corporations Code Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy:

Any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

(a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.

(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division.

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT 14 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 14 DAYS PRIOR TO THE RECEIPT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

3. Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

4. Section 31125 of the California Corporations Code requires us to give you a disclosure document approved by the Commissioner of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement. We have or will comply with all of the requirements under California Corporations Code, Section 31109.1, with respect to negotiated sales.

5. Item 3 of the Franchise Disclosure Document is supplemented by the additional paragraph:

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

6. Item 17 of the FDD is amended by the insertion of the following:

"The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning transfer, termination and non-renewal of the Franchise Agreement and certain provisions of the Franchise Agreement relating to transfer, termination and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Franchise Agreement and your relationship with us, including the areas of transfer, termination and renewal of your franchise. If the Franchise Agreement is inconsistent with the law, the law will control."

"The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043))."

7. Item 19 of the FDD is amended by insertion of the following:

"The earnings claims figure(s) does (do) not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your (franchised business). Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information."

8. The Franchisor has or will comply with all of the requirements under California Corporations Code, Section 31109.1, with respect to negotiated sales.

9. The Franchise Agreement requires application of the laws and forum of Illinois. This provision may not be enforceable under California law.

10. The provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under Title 11, United States Code, Section 101.

11. The highest interest rate allowed by law in California for late payments is 10% annually.

12. The California Board of Occupational Therapy is the state regulatory agency responsible for licensing, examination, and enforcement of professional standards for occupational therapists. The Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board is the state agency responsible for licensing, examination, and enforcement of professional standards for speech language pathologists. Many states have adopted the corporate practice of medicine doctrine, which generally only permit medical professionals licensed by the state to provide medical services through a professional corporation, professional limited liability company, or other professional practice entity owned by the licensed medical professionals. Many states also have prohibitions on fee splitting and self-referral restrictions. See California Business and Professions Code § 2400 and California Business and Professions Code § 650(a).

13. In registering this franchise, the California Department of Financial Protection and Innovation has not reviewed, and makes no statements concerning, the franchisor's compliance with state and federal licensing and regulatory requirements relating to the practice of medicine. You should consult with your attorney concerning these laws, regulations, and ordinances that may affect the operation of your business. If the California Board of Occupational Therapy, Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board, or any other agency overseeing the practice of medicine, speech language therapy, occupational therapy, autism therapy or behavioral analysists, determines that the operation of the franchise fails to comply with state law, the franchisor may be required to cease operations of the franchised business in California. This may result in the termination of your franchise and loss of your investment.

14. The franchisor's website address is: www.autismcaretherapy.com.

15. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this addendum to the Disclosure Document shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of the California Franchise Investment Law are met independently without reference to this addendum.

ADDENDUM TO
AUTISM CARE THERAPY
FRANCHISE DISCLOSURE DOCUMENT
FOR THE
STATE OF HAWAII

Notwithstanding anything to the contrary in the Autism Care Therapy Franchise Disclosure Document or Franchise Agreement, the following provisions shall supersede and apply to Autism Care Therapy franchises offered and sold in the state of Hawaii:

1. The Autism Care Therapy Franchise Disclosure Document is currently registered or exempt, or seeking registration or exemption, in the states of: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, South Dakota, Virginia, Washington, and Wisconsin.

2. The states in which the Autism Care Therapy Franchise Disclosure Document is or will be shortly on file: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, South Dakota, Virginia, Washington, and Wisconsin.

3. No state has refused, by order or otherwise, to register the franchise which is the subject of the Autism Care Therapy Franchise Disclosure Document.

4. No state has revoked or suspended the right to offer the franchise which is the subject of the Autism Care Therapy Franchise Disclosure Document.

5. ACT Franchising Corporation has not withdrawn the proposed registration of the Franchise Disclosure Document in any state.

6. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

The franchisor's registered agent in the state authorized to receive service of process is:

Commissioner of Securities of Department of Commerce and Consumer Affairs
335 Merchant Street
Honolulu, Hawaii 96813

No release language set forth in the Franchise Agreement shall relieve the franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

ADDENDUM TO
AUTISM CARE THERAPY
FRANCHISE DISCLOSURE DOCUMENT
FOR THE
STATE OF ILLINOIS

Notwithstanding anything to the contrary in the Autism Care Therapy Franchise Disclosure Document, the following provisions shall supersede and apply to all Autism Care Therapy franchises sold in the state of Illinois:

1. Illinois law governs the Franchise Agreement.

2. Franchisee's rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, 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 the Illinois is void. This shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under the provisions of the Illinois Franchise Disclosure Act, nor shall it prevent the arbitration of any claims pursuant to the provisions of Title IX of the United States Code.

5. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM TO
AUTISM CARE THERAPY
FRANCHISE DISCLOSURE DOCUMENT
FOR THE
STATE OF MARYLAND

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of Maryland.

1. Item 17 of the Franchise Disclosure Document is amended as follows:

> "Termination for bankruptcy filing may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.)."

2. Items 17I and 17(m) are revised to provide that, under COMAR 02.02.08.16L, the general release required as a condition to renewal, sale or consent to assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Items 17(v) and (w) are modified by insertion of the following:

> "Any Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

4. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

5. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

ADDENDUM TO
AUTISM CARE THERAPY
FRANCHISE DISCLOSURE DOCUMENT
FOR THE
STATE OF MINNESOTA

Notwithstanding anything to the contrary in the Autism Care Therapy Franchise Disclosure Document, the following provisions shall supersede and apply to all Autism Care Therapy franchises offered and sold to residents of the State of Minnesota or if the Franchised Business will be located in Minnesota:

1. Minnesota Statutes, Section 80C.21, and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Disclosure Document or agreement(s) can abrogate or reduce (a) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C; or (b) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (a) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and (b) that consent to the transfer of the franchise will not be unreasonably withheld.

3. To the extent required by Minnesota Statutes, Chapter 80C, the franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols related to the trademarks or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the trademarks, provided the franchisee is using the names in marks in accordance with the Franchise Agreement.

4. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief.

6. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.17, Subd. 5 with respect to limitation of claims.

7. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

8. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of Minnesota Statutes, Chapter 80C, are met independently without reference to this Addendum.

ADDENDUM TO
AUTISM CARE THERAPY
FRANCHISE DISCLOSURE DOCUMENT
FOR THE
STATE OF NEW YORK

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of New York.

1. INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT B OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OF PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

a. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

b. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

c. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

d. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of the "Summary" sections of Item 17l, titled "Requirements for franchisee to renew or extend," and Item 17(m), titled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

5. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

You may terminate the agreement on any grounds available by law.

6. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

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

8. Any sale made must be in accordance with Section 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. Section 680 *et seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

9. Each provision of this addendum to the Disclosure Document shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of Article 33 of the General Business Law of the State of New York are met independently without reference to this addendum.

ADDENDUM TO
AUTISM CARE THERAPY
FRANCHISE DISCLOSURE DOCUMENT
FOR THE
STATE OF NORTH DAKOTA

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of North Dakota:

1. The North Dakota Securities Commissioner has determined that it is unfair and unequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to sign a general release upon renewal of the Franchise Agreement. Therefore, the requirement that the franchisee signs a release upon renewal of the Franchise Agreement is deleted from Item 17 and from any other place it appears in the Disclosure Document.

2. Item 17 is revised to provide that covenants not to compete, such as those mentioned in Item 17 of the Disclosure Document, are generally considered unenforceable in the state of North Dakota.

3. The North Dakota Securities Commissioner has determined that it is unfair and unequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to consent to the jurisdiction of courts located outside of North Dakota. Therefore, any references in the Disclosure Document to any requirement that the franchisee consents to the jurisdiction of courts located outside of North Dakota are deleted.

4. The North Dakota Securities Commissioner has determined that it is unfair and unequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to agree to arbitration or mediation of disputes at a location that is remote from the site of the franchisee’s business. Therefore, any references in the Disclosure Document to any requirement that the franchisee consents to arbitration or mediation located outside of North Dakota are amended to include the following:

“Pursuant to the North Dakota Franchise Investment Law, the site of arbitration or mediation shall be agreeable to all parties and may not be remote from your place of business.”

5. Any references in the Disclosure Document to any requirement to consent to a waiver of exemplary and punitive damages are deleted.

6. Any references in the Disclosure Document to any requirement to consent to a waiver of trial by jury are deleted.

7. Any claims arising under the North Dakota franchise law will be governed by the laws of the State of North Dakota.

8. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney’s fees.

9. Any references in the Disclosure Document requiring franchisee to consent to termination penalties or liquidated damages are deleted.

10. Any references in the Disclosure Document requiring the franchisee to consent to a limitation of claims are deleted. The statute of limitations under North Dakota law applies.

11. 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM TO
AUTISM CARE THERAPY
FRANCHISE DISCLOSURE DOCUMENT
FOR THE
STATE OF SOUTH DAKOTA

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of South Dakota:

1. The Summary column of Item 17 Paragraph (g) of this Disclosure Document is modified by adding the following at the end of the sentence:

"Under South Dakota law, termination provisions covering breach of the franchise agreement, failure to meet performance and quality standards, and failure to make royalty payments contained in the Disclosure Document and franchise agreement must afford a franchisee thirty (30) days written notice with an opportunity to cure the default prior to termination."

2. The Summary column of Item 17 Paragraph I of this Disclosure Document is modified by adding the following at the end of the sentence:

"Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of South Dakota, except in certain instances as provided by law."

3. The Summary column of Item 17 paragraph (u) of this Disclosure Document is amended by adding the following at the end of the paragraph:

"except that matters coming under the South Dakota Law will be submitted to arbitration in a mutually agreeable location."

4. The Summary column of Item 17 paragraph (v) of this Disclosure Document is amended to read as follows:

Except for matters coming under the South Dakota Law, litigation and arbitration must be in Illinois.

5. The Summary column of Item 17 paragraph (w) of this Disclosure Document is amended to read as follows:

"The law of South Dakota governs."

ADDENDUM TO
AUTISM CARE THERAPY
FRANCHISE DISCLOSURE DOCUMENT
FOR THE
STATE OF VIRGINIA

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of Virginia.

1. Item H of the chart in Item 17 is hereby amended by the addition of the following disclosure:

"Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchise Act or the laws of Virginia, that provision may not be enforceable."

2. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this addendum to the Disclosure Document shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this addendum.

WASHINGTON ADDENDUM
TO THE
FRANCHISE DISCLOSURE DOCUMENT,
THE FRANCHISE AGREEMENT,
AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws**. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights**. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation**. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release**. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial**. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees**. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee**. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions**. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing**. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement**. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification**. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees**. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants**. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements**. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments**. 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.

17. **Prohibitions on Communicating with Regulators**. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers**. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of

franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned does hereby acknowledge receipt of this addendum.

Dated ______________________.

FRANCHISOR:
ACT FRANCHISING CORPORATION

By: ________________________
Name: ________________________
Title: ________________________

IF CORPORATION, LLC, OR PARTNERSHIP:
FRANCHISEE:

____

By: ________________________
Name: ________________________
Title: ________________________

IF INDIVIDUAL:
FRANCHISEE:

____
Name: ________________________

ADDENDUM TO
AUTISM CARE THERAPY
FRANCHISE DISCLOSURE DOCUMENT
FOR THE
STATE OF WISCONSIN

Notwithstanding anything to the contrary in the Autism Care Therapy Franchise Disclosure Document, the following provisions shall supersede and apply to all Autism Care Therapy franchises offered and sold to residents of the State of Wisconsin or if the Franchised Business will be located in Wisconsin:

1. The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, non-renewal, or substantial change in competitive circumstances of a dealership agreement without good cause. The law further provides that 90 days' prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. The Disclosure Document and Franchise Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provisions of the Franchise Agreement that are inconsistent with the Wisconsin Fair Dealership Law.

2. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of the Wisconsin Fair Dealership Law are met independently without reference to this Addendum.

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

State	State Administrator	Agent for Service of Process
California	Department of Financial Protection and Innovation 651 Bannon Street, Suite 300 Sacramento, CA 95811 Tel: 1-866-275-2677 (toll free) Ask.DFPI@dfpi.ca.gov (email)	Commissioner of Financial Protection and Innovation Same Address
Connecticut	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 Tel: 860-240-8230	
Florida	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 Tel: 850-245-6000	
Georgia	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 Tel: 404-656-3790	
Hawaii	Hawaii Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813 Tel: 808-586-2744	
Illinois	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 Tel: 217-782-4465	

State	State Administrator	Agent for Service of Process
Indiana	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 Tel: 317-232-6681	Indiana Secretary of State 200 West Washington Street Indianapolis, IN 46204
Iowa	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 Tel: 515-281-4441	
Kentucky	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 Tel: 502-696-5389	
Louisiana	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 Tel: 504-342-7013 (gen. info.) Tel: 504-342-7900	
Maine	Department of Business Regulations State House – Station 35 Augusta, ME 04333 Tel: 207-298-3671	
Maryland	Office of the Attorney General Maryland Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 Tel: 410-576-7786	Maryland Securities Commissioner Same Address Tel: 410-576-6360

State	State Administrator	Agent for Service of Process
Michigan	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit G. Mennen Williams Building, 1st Floor 525 W. Ottawa Street Lansing, MI 48909 Tel: 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
Minnesota	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 Tel: 651-296-6328	Minnesota Commissioner of Commerce Same Address Tel: 651-539-1600
Nebraska	Department of Banking and Finance 1526 K Street, Suite 300 Lincoln, NE 68508 P.O. Box 95006 Lincoln, Nebraska 68509-5006 Tel: 402-471-2171	
New Hampshire	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 Tel: 603-271-3641	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st Floor New York, NY 10005 Tel: 212-416-8222	New York Secretary of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231 Tel: 212-416-8236
North Carolina	Secretary of State's Office/Securities Division 2 South Salisbury Street Raleigh, NC 27601 Tel: 919-733-3924	

State	State Administrator	Agent for Service of Process
North Dakota	North Dakota Securities Department 600 East Boulevard Avenue State Capitol – 14th Floor, Dept. 414 Bismarck, ND 58505-0510 Tel: 701-328-4712 Fax: 701-328-0140	North Dakota Securities Commissioner Same Address
Ohio	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 15th Floor Columbus, OH 43215 Tel: 614-466-8831 Tel: 800-282-0515	
Oklahoma	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 Tel: 405-521-2451	
Oregon	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 Tel: 503-378-4387	
Rhode Island	Rhode Island Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Center – Building 68-2 Cranston, RI 02920 Tel: 401-222-3048	Director, Rhode Island Department of Business Regulation Same address
South Carolina	SC Secretary of State's Office 1205 Pendleton St., Suite 525 Columbia, SC 29201 Tel: 803-734-0367	

State	State Administrator	Agent for Service of Process
South Dakota	Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 Tel: 605-773-3563	
Texas	Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 Tel: 512-475-1769	
Utah	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804 Tel: 801-530-6601 Fax: 801-530-6001	
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219 Tel: 804-371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 Tel: 360-902-8760	Director, Dept. of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501
Wisconsin	Wisconsin Dept. of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 Tel: 608-266-8557	Wisconsin Administrator of Securities Same Address

EXHIBIT C
TABLE OF CONTENTS OF
OPERATIONS MANUAL

Autism Care Therapy Franchise Operations Manual

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SECTION A: INTRODUCTION

SECTION B: ESTABLISHING YOUR AUTISM CARE THERAPY BUSINESS

SECTION C: PEOPLE DEVELOPMENT

Autism Care Therapy Franchise Operations Manual

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SECTION D: DAILY OPERATING PROCEDURES

Autism Care Therapy Franchise Operations Manual

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4908-5209-9625, V. 1

EXHIBIT D
LIST OF ACT BUSINESSES

Company-Owned ACT Businesses

ACT businesses opened and operating by our affiliate as of December 31, 2024:

Address	City	State	Zip Code	Phone Number
3385 N Arlington Heights Rd	Arlington Heights	Illinois	60004	630-687-8738
4830 North Pulaski Road	Chicago	Illinois	60453	630-687-8737
44 West Roosevelt Road	Lombard	Illinois	60148	630-687-8737
4954 West 95th Street	Oak Lawn	Illinois	60453	630-687-8737

Franchised ACT Businesses

ACT businesses opened and operating by our franchisees as of December 31, 2024:

Franchisee	Address	City	State	Zip Code	Phone Number
Aspire ABA Therapy (Ahmed, Sameera & Riaz)	4050 Healthway Drive Suite 101	Aurora	Illinois	60504	630-888-1443
Autism Behavior Clinic (Hamadeh, Reema)	16133 Weber Road	Crest Hill	Illinois	60403	708-209-8070
Wassim Almala	416 E Rosevelt	Wheaton	Illinois	60187	630-299-6001

Franchises signed but not opened as of December 31, 2024:

Franchisee	Address	City	State	Zip Code	Phone Number
Autism Clinic Corp (Khalil, Gada & Karaja, Khaldon)	8600 West 159th Street	Orland Park	Illinois	60462	708-378-4550

Former Franchisees

Franchisees whose franchise were transferred during the fiscal year ending December 31, 2024:

None.

Franchisees whose franchise were terminated, cancelled, not renewed, or who otherwise voluntarily ceased to do business during the fiscal year ending December 31, 2024:

None.

* Franchisee is also an area developer under an Area Development Agreement and the Franchise Agreement was signed under an Area Development Agreement.

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

EXHIBIT E
FINANCIAL STATEMENTS

ACT FRANCHISING CORPORATION

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2024

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

ACT FRANCHISING CORPORATION

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Independent Auditor's Report

To the Stockholder
Act Franchising Corporation
Chicago, Illinois

Opinion

We have audited the accompanying financial statements of Act Franchising Corporation, which comprise the balance sheet as of December 31, 2024, and the related statements of operations, stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Act Franchising Corporation, as of December 31, 2024 and the related statements of operations, stockholder's equity and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezos & Dunlavy

St. George, Utah
April 7, 2025

ACT FRANCHISING CORPORATION

BALANCE SHEET

As of December 31, 2024

		2024
Assets		
Current assets		
Cash and cash equivalents	$	151,910
Related party note receivable		100,000
Accounts receivable		20,056
Total current assets		271,966
Total assets	$	271,966
Liabilities and Stockholder's Equity		
Stockholder's equity		
Common stock, no par value, 10,000 shares authorized, 1,000 shares issued and outstanding		1,000
Additional paid-in-capital		75,257
Accumulated earnings		195,709
Stockholder's equity		271,966
Total liabilities and stockholder's equity	$	271,966

The accompanying notes are an integral part of the financial statements.

ACT FRANCHISING CORPORATION
STATEMENT OF OPERATIONS
For the year ended December 31, 2024

		2024
Operating revenues		
Royalties	$	321,499
Total operating revenues		321,499
Operating expenses		
Professional fees		84,813
Advertising and marketing		30,422
General and administrative		4,966
Total operating expenses		120,201
Net income	$	201,298

The accompanying notes are an integral part of the financial statements.

ACT FRANCHISING CORPORATION

STATEMENT OF STOCKHOLDER'S EQUITY

For the year ended December 31, 2024

	Common Stock Outstanding	Common Stock	Additional Paid in Capital	Accumlated Earnings	2024 Total
Balances, January 1, 2024	1,000	$ 1,000	$ 204,759	$ (5,589)	$ 200,170
Capital contributions	-	-	68,893	-	68,893
Capital distributions	-	-	(198,395)	-	(198,395)
Net income	-	-	-	201,298	201,298
Balances, December 31, 2024	1,000	$ 1,000	$ 75,257	$ 195,709	$ 271,966

The accompanying notes are an integral part of the financial statements.

ACT FRANCHISING CORPORATION
STATEMENT OF CASH FLOWS
For the year ended December 31, 2024

		2024
Cash flows from operating activities:		
Net income	$	201,298
Adjustments to reconcile net income to		
net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable		(20,056)
Net cash provided by operating activities		181,242
Cash flows from investing activities		
Investment in related party note receivable		(200,000)
Repayment from related party		100,000
Net cash used in investing activities		(100,000)
Cash flows from financing activities:		
Member contributions		68,893
Member distributions		(198,395)
Net cash used in financing activities		(129,502)
Net change in cash and cash equivalents		(48,260)
Cash at the beginning of the year		200,170
Cash at the end of the year	$	151,910
Cash paid for taxes	$	-

The accompanying notes are an integral part of the financial statements.

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Act Franchising Corporation (the "Company") was organized as a Illinois limited liability company ("LLC") in the State of Illinois on September 18, 2021. The Company was formed for the purpose of selling, marketing and supporting an autism therapy services franchise concept.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission ("SEC"), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2024, the Company had cash and cash equivalents of $151,910.

(e) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalties and other sales transactions. These accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. When determining the allowance for doubtful receivable, the Company has adopted ASC 326, *Financial Instruments—Credit Losses*. This standard requires that management utilize the Current Expected Credit Losses ("CECL") model to recognize the appropriate allowance for doubtful receivables. This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. As of December 31, 2024, the Company had net receivables of $20,056 and no allowances for doubtful accounts.

(f) Income Taxes

The Company has elected to be treated as Subchapter S Corporation under the provisions of the Internal Revenue Code for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of its stockholders and no provision for federal or state income taxes has been recorded in the accompanying balance sheet.

As a result of the Tax Reform Act of 1986, the Company may be subject to income taxes at the maximum corporate rate if certain assets are sold at a gain for a 5-year period following the election. However, since it is the Company's intent to utilize the company assets in the operation of the business, the Company has not recognized a net deferred tax liability upon receipt of the approval of election.

The Company follows the guidance under ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the stockholder rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2024, the 2023, 2022, and 2021 tax years are subject to examination.

(g) Advertising Cost

The Company expenses advertising costs as incurred. Advertising expenses for the period ended December 31, 2024 were $30,422.

(h) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable, the carrying amounts approximate fair value due to their short maturities.

(i) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(j) Revenue Recognition

The Company has adopted ASC 606, *Revenue from Contracts with Customers*. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue. For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the various components of the transaction price and the Company's performance obligations.

The Company's revenues consist of royalties based on a percentage of gross revenues.

Royalties

Upon evaluation of the five-step process, the Company has determined that royalties are to be recognized in the same period as the underlying sales.

(2) Related Party Note Receivable

During the year ended December 31, 2024, the Company loaned $200,000 to a related party through common ownership. During the year the related party repaid $100,000 of the original loan. As of December 31, 2024, the outstanding balance is $100,000. The note carries no terms and is classified as current.

(3) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC 450, *Contingencies*, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is “probable” and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is “probable” but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is “reasonably possible,” disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are “remote” are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(4) Subsequent Events

Management has reviewed and evaluated subsequent events through April 7, 2025, the date on which the financial statements were issued.

ACT FRANCHISING CORPORATION

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

ACT FRANCHISING CORPORATION
AUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

CONTENTS

MICHAEL GOLOJUCH, JR. AND ASSOCIATES, LIMITED

1310 PEMBROOK CIRCLE

ROSELLE, IL 60172

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of

ACT Franchising Corporation

Chicago, Illinois

Opinion

We have audited the accompanying financial statements of ACT Franchising Corporation (an Illinois corporation), which comprise the balance sheets as of December 31, 2023, and the related statements of operations, accumulated deficit and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our 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 ACT Franchising Corporation 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 statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not an absolute assurance and therefore is not a guarantee that an audit conducting 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 resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ACT Franchising Corporation'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 evaluating the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ACT Franchising Corporation's ability to continue as a going concern for a reasonable period of time.

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

Michael Dolojnek, Jr. C.P.A.

Roselle, Illinois

March 31, 2024

ACT Franchising Corporation
Balance Sheet
December 31, 2023

Assets

	2023
Current Assets:	
Cash	$200,170
Total Current Assets	200,170
Total Assets	$200,170

Equity

Equity:	
Common stock, no par value, 10,000 shares authorized 1,000 shares issued and outstanding	$ 1,000
Additional Paid-In Capital	204,759
Accumulated Deficit	(5,589)
Total Equity	$200,170

The accompanying notes are an integral part of these financial statements.

ACT Franchising Corporation
Statement of Operations and Accumulated Deficit
Year Ended December 31, 2023

	2023
Revenues	$ -
Operating Expenses:	
Outside Services	1,560
Total Operating Expenses	1,560
Net Income/(Loss)	(1,560)
Accumulated Deficit - Beginning of Year	(4,029)
Accumulated Deficit - End of Year	$ (5,589)

The accompanying notes are an integral part of these financial statements.

ACT Franchising Corporation
Statement of Cash Flows
Year Ended December 31, 2023

	2023
Cash Flows from Operating Activities:	
Net Income/(Loss)	$ (1,560)
Adjustment to reconcile net (loss) to net cash provided by operating activities:	
Amortization	-
Changes in operating assets and liabilities:	
Deferred income	-
Accounts payable	-
Net cash from (used) in operating activities	(1,560)
Cash Flows from Investing Activities:	
Investment in franchise development costs	-
Net cash from (used) in investing activities	-
Cash Flows from Financing Activities:	
Proceeds from issuance of stock	-
Proceeds from additional paid-in capital	201,491
Net cash from (used) in financing activities	201,491
Net increase (decrease) in cash	199,931
Cash at beginning of year	239
Cash at end of year	$ 200,170

The accompanying notes are an integral part of these financial statements.

ACT FRANCHISING CORPORATION

Notes to Financial Statements
Year Ended December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Planned Operations

ACT Franchising Corporation (the Company) was organized on September 16, 2021 in the state of Illinois to sell "ACT" franchises in the United States. The Company is a start-up business whose principal operations will be a franchisor of autism services. Major sources of revenue will include franchise fees, web-site and advertising fees, and royalties. Franchise development fees have been disbursed in the start-up phase. The completion of these latter stages will be subject to the Company's receiving additional funding in the future.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenue is recognized when earned and expenses are recorded when the obligation is incurred.

Cash and Cash Equivalents

For financial statement purposes, the Company considers all highly liquid instruments with original maturities of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities at the date of the financial statements and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Income Taxes

The Company, with the consent of its shareholder, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporate income taxes, the shareholder of an s corporation is taxed on his proportionate share of the company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

The Company's business tax returns are subject to examination by federal and state tax jurisdictions, generally for three years after the date they were filed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Accounts Receivable and Uncollectible Accounts

Accounts receivable consist primarily of open accounts with franchisees for franchise fees and royalties. There were no customer receivables outstanding as of December 31, 2023.

Adoption of New Accounting Principle with Respect to Credit Losses

As of January 1, 2023, the Company adopted a new accounting standard under U.S. generally accepted accounting principles that replaced the incurred loss model for measuring the allowance for credit losses with a new model that reflects current expected credit losses (CECL) that are expected to occur over the lifetime of the underlying accounts receivable. The CECL methodology is applicable to financial assets that we measure at amortized cost, including accounts receivable, contract assets, and notes and loans receivable from officers, owners, and employees.

The Company adopted the changes in accounting for credit losses using a modified retrospective method by recognizing the cumulative effect of initially applying the new standard as an adjustment to the opening balance of retained earnings as of January 1, 2023.

Subsequent Events

Management has evaluated subsequent events through March 31, 2024, which is the date the financial statements were available to be issued.

Management's Evaluation of Going Concern

In accordance with accounting principles generally accepted in the United States of America, management performed an evaluation to determine if adverse conditions or events considered in the aggregate, raise substantial doubt about the Company's ability to continue as a going concern for the one-year period from the date the financial statements were available to be issued. Management's evaluation did not identify any conditions or events that raise substantial doubt about the Company's ability to continue as a going concern for the period from March 31, 2024 to March 31, 2025.

NOTE 2 – ALLOWANCE FOR CREDIT LOSSES

The risks attributable to the company's trade accounts receivable relate to the liquidity and financial viability of the customers. The credit risk relative to the Company's customers is largely due to factors such as general economic conditions, inflation rates, interest rates, and labor markets. The Company determines the allowance for credit losses by using an accounts receivable aging schedule and utilizing historical loss percentages adjust for the effects of the factors listing in the preceding paragraph. After evaluating these factors, the Company determined that an adjustment to the historical rates was not necessary at December 31, 2023.

ACT FRANCHISING CORPORATION

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022 AND
(DATE OF INCEPTION) SEPTEMBER 16, 2021 THROUGH DECEMBER 31, 2021

ACT FRANCHISING CORPORATION
AUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022 AND
(DATE OF INCEPTION) SEPTEMBER 16, 2021 THROUGH DECEMBER 31, 2021

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MICHAEL GOLOJUCH, JR. AND ASSOCIATES, LIMITED

1310 PEMBROOK CIRCLE

ROSELLE, IL 60172

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of

ACT Franchising Corporation

Chicago, Illinois

Opinion

We have audited the accompanying financial statements of ACT Franchising Corporation (an Illinois corporation), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations, accumulated deficit and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our 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 ACT Franchising Corporation 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 statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not an absolute assurance and therefore is not a guarantee that an audit conducting 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 resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ACT Franchising Corporation'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 evaluating the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ACT Franchising Corporation's ability to continue as a going concern for a reasonable period of time.

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

Michael Dolgiuch, Jr. C.P.A.

Roselle, Illinois

September 1, 2023

ACT Franchising Corporation
Balance Sheets
December 31, 2022 and 2021

Assets

	2022	2021
Current Assets:		
Cash	$ 239	$ 448
Total Current Assets	239	448
Total Assets	$ 239	$ 448

Equity

	2022	2021
Equity:		
Common stock, no par value, 10,000 shares authorized 1,000 shares issued and outstanding	$ 1,000	$ 1,000
Additional Paid-In Capital	3,268	-
Accumulated Deficit	(4,029)	(552)
Total Equity	$ 239	$ 448

The accompanying notes are an integral part of these financial statements.

ACT Franchising Corporation
Statements of Operations and Accumulated Deficit
Year Ended December 31, 2022 and
(Date of Inception) September 16, 2021 through December 31, 2021

	2022	2021
Revenues	$ -	$ -
Operating Expenses:		
Bank/Credit Card Fees	55	10
Conferences/Meetings	481	-
Consulting	2,718	-
Marketing	-	519
Office Supplies	-	23
Professional Fees	223	-
Total Operating Expenses	3,477	552
Net Income/(Loss)	(3,477)	(552)
Accumulated Deficit - Beginning of Year	(552)	-
Accumulated Deficit - End of Year	$ (4,029)	$ (552)

The accompanying notes are an integral part of these financial statements.

ACT Franchising Corporation
Statements of Cash Flows
Year Ended December 31, 2022 and
(Date of Inception) September 16, 2021 through December 31, 2021

	2022	2021
Cash Flows from Operating Activities:		
Net Income/(Loss)	$ (3,477)	$ (552)
Adjustment to reconcile net (loss) to net cash provided by operating activities:		
Amortization	-	-
Changes in operating assets and liabilities:		
Deferred income	-	-
Accounts payable	-	-
Net cash from (used) in operating activities	(3,477)	(552)
Cash Flows from Investing Activities:		
Investment in franchise development costs	-	-
Net cash from (used) in investing activities	-	-
Cash Flows from Financing Activities:		
Proceeds from issuance of stock	-	1,000
Proceeds from additional paid-in capital	3,268	-
Net cash from (used) in financing activities	3,268	1,000
Net increase (decrease) in cash	(209)	448
Cash at beginning of year	448	-
Cash at end of year	$ 239	$ 448

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements
Year Ended December 31, 2022 and
(Date of Inception) September 16, 2021 through December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Planned Operations

ACT Franchising Corporation (the Company) was organized on September 16, 2021 in the state of Illinois to sell "ACT" franchises in the United States. The Company is a start-up business whose principal operations will be a franchisor of autism services. Major sources of revenue will include franchise fees, web-site and advertising fees, and royalties. Franchise development fees have been disbursed in the start-up phase. The completion of these latter stages will be subject to the Company's receiving additional funding in the future.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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UNAUDITED FINANCIAL STATEMENTS:

These financial statements have been prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no independent certified public accountant has audited these figures or expressed an opinion with regard to their content or form.

UNAUDITED

Balance Sheet
ACT Franchising Corporation
As of June 30, 2025

Distribution account	Total
Assets	
Current Assets	
Bank Accounts	
BUS COMPLETE CHK (0873) - 1	57,040.21
BUS COMPLETE CHK (9508) - 1	168.75
Total for Bank Accounts	**$57,208.96**
Accounts Receivable	
Accounts Receivable (A/R)	
Total for Accounts Receivable	**0.00**
Other Current Assets	
Total for Current Assets	**$57,208.96**
Fixed Assets	
Other Assets	
Total for Assets	**$57,208.96**
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
Credit Cards	
Other Current Liabilities	
Total for Current Liabilities	**0.00**
Long-term Liabilities	
Total for Liabilities	**0.00**
Equity	
Retained Earnings	224,134.20
Net Income	59,599.24
Opening Balance Equity	200,170.06
Owner's Contributions	132,000.00
Owner's Distribution	-558,694.54
Total for Equity	**$57,208.96**
Total for Liabilities and Equity	**$57,208.96**

Accrual Basis Thursday, July 24, 2025 12:51 PM GMTZ

Profit and Loss
ACT Franchising Corporation
January 1-June 30, 2025

Distribution account	Total
Income	
Royalties	195,156.62
Total for Income	**$195,156.62**
Cost of Goods Sold	
Gross Profit	**$195,156.62**
Expenses	
Advertising/Promotional	18,299.83
Bank Charges	100.00
Charitable Donation	6,500.00
Consulting Fees	83,870.00
Continuing Education	4,000.00
Dues & subscriptions	1,667.75
Legal & Professional Fees	17,644.80
Meals	98.99
Office Expenses	1,166.90
Software Expenses	2,209.11
Total for Expenses	**$135,557.38**
Net Operating Income	**$59,599.24**
Other Income	
Other Expenses	
Net Other Income	**0.00**
Net Income	**$59,599.24**

Accrual Basis Thursday, July 24, 2025 12:51 PM GMTZ

EXHIBIT F
FRANCHISE AGREEMENT, STATEMENT OF OWNERSHIP AND MANAGEMENT, GUARANTY, TRANSFER FORM, GENERAL RELEASE, LEASE RIDER, AND STATE SPECIFIC ADDENDA TO FRANCHISE AGREEMENT

AUTISM CARE THERAPY
FRANCHISE AGREEMENT

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ATTACHMENTS

AUTISM CARE THERAPY
FRANCHISE AGREEMENT

This **FRANCHISE AGREEMENT** ("Agreement") is made as of the "Effective Date" set forth on the Rider attached hereto (the "Rider"), by and between ACT FRANCHISING CORPORATION, a Illinois corporation ("Franchisor"), and the "Franchisee" set forth on the Rider ("Franchisee").

INTRODUCTION

Franchisor and its affiliates have developed certain policies, procedures, and techniques for the operation of practice management businesses that offer in-home and in-center behavioral therapy services under the "Autism Care Therapy" and "ACT" service marks to individuals with developmental disabilities, including Applied Behavior Analysis (ABA) therapy, speech therapy, occupational therapy, and parental and school training. Franchisor desires to grant to qualified persons franchises to use the concepts, programs, and methods of promotion developed by Franchisor and its affiliates to develop and operate a practice management business under the "Autism Care Therapy" and "ACT" service marks. Franchisee has applied to Franchisor for a franchise and the application has been approved by Franchisor in reliance on all the representations made in the application.

NOW, THEREFORE, in consideration of the mutual promise of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1 DEFINITIONS

Capitalized terms used in this Agreement have the meanings given below:

(a) "Competitive Business" shall mean any business, school, center, clinic, program, virtual or telehealth provider, or other venture that holds itself out as providing behavioral therapy services to individuals with developmental disabilities, including Applied Behavior Analysis (ABA) therapy, speech therapy, occupational therapy, and parental and school training.

(b) "Franchise" shall mean the right granted by Franchisor to Franchisee to use the System of Operation and to use the Names and Marks selected, used, and promoted by Franchisor to develop and operate a practice management business that offers in-home and in-center behavioral therapy services, by Licensed Providers, to individuals with developmental disabilities, including Applied Behavior Analysis (ABA) therapy, speech therapy, occupational therapy, and parental and school training.

(c) "Franchised Business" shall mean the practice management business franchised under this Agreement and using the System of Operation and the Names and Marks that offers in-home and in-center behavioral therapy services, by Licensed Providers, to individuals with developmental disabilities, including Applied Behavior Analysis (ABA) therapy, speech therapy, occupational therapy, and parental and school training.

(d) "Gross Sales" shall mean the total amount of revenues, income, receipts, reimbursements, and other fees actually received that are attributable to or earned by or through the Franchised Business for activities and services taking place by or through the Franchised Business, and all other services and products, if any, sold under the Names and Marks, or otherwise related to the Franchised Business, including but not limited to amounts received for co-pays, private payments, and insurance reimbursements. There shall be excluded from "Gross Sales" amounts collected and remitted by Franchisee to any governmental taxing authority in satisfaction of sales or occupation taxes. If the Franchised Business operates as a management company for a provider or professional entity or any of its Autism Care Therapy businesses, "Gross Sales" includes all revenues, income, receipts, reimbursements, and other fees actually received by the provider or professional entity and any of its Autism Care Therapy businesses, even if those revenues are not recognized on the books and records of Franchisee.

(e) The term "including" shall mean "including, but not limited to."

(f) "Licensed Provider" shall mean a therapist licensed or otherwise permitted to provide behavioral therapy services, including Applied Behavior Analysis (ABA) therapy, speech therapy, and occupational therapy, at or through the Franchised Business under applicable local, state, and federal laws and regulations, including Board-Certified Behavior Analyst ("BCBA"), Registered Behavior Technicians, Speech-Language Pathologists, and Occupational Therapists.

(g) "Names and Marks" shall mean the commercial trade names, trademarks, service marks, domain names, and other commercial symbols, including associated logos, now or hereafter selected, used or promoted by Franchisor and licensed to Franchisee for use in connection with the System of Operation.

(h) "Protected Area" shall mean the area described as such and identified in the Rider.

(i) "Restricted Area" shall mean, collectively: (1) the approved location of the Franchised Business; (2) the Protected Area and a radius of ten (10) miles from the Protected Area; (3) a radius of ten (10) miles from any other Autism Care Therapy business in existence as of the date of termination, expiration, or assignment of this Agreement; and (4) with respect to virtual/telehealth providers, the location in which the Franchisee offices and where their provider(s) is(are) located while performing services, and where the client is located while receiving such services.

(j) "System of Operation" shall mean the business plans, methods, systems, and provider networks developed by Franchisor and its affiliates to be used in connection with the operation of practice management businesses that offer in-home and in-center behavioral therapy services, by Licensed Providers, to individuals with developmental disabilities, including Applied Behavior Analysis (ABA) therapy, speech therapy, occupational therapy, and parental and school training. The "System of Operation" includes standards, specifications, methods, procedures, techniques, and management systems, all of which may be changed, improved, and further developed from time to time by Franchisor, but specifically excludes any employee policies or procedures that Franchisor may make available to Franchisee for its optional use during the Term of the Franchise.

(k) "Term of the Franchise" shall mean the initial term of the Franchise.

2 GRANT OF FRANCHISE; RENEWAL OF FRANCHISE

(a) **Grant of Franchise; Initial Term**. Subject to the provisions of this Agreement, Franchisor grants to Franchisee a Franchise for an initial term of ten (10) years, commencing on the Effective Date, to utilize the System of Operation and the Names and Marks in the operation of a practice management business that offers in-home and in-center behavioral therapy services, by Licensed Providers, to individuals with developmental disabilities, including Applied Behavior Analysis (ABA) therapy, speech therapy, occupational therapy, and parental and school training.

(b) **Renewal**. Franchisee may renew the Franchise for an additional term of ten (10) years, subject to the satisfaction of all conditions imposed by Franchisor upon renewal, including that upon expiration of the Term of the Franchise, Franchisee shall have:

(1) complied with all provisions of this Agreement;

(2) operated the Franchised Business utilizing and conforming to the System of Operation;

(3) utilized exclusively the Names and Marks in the operation of the Franchised Business;

(4) upgraded the Franchised Business, including furniture, fixtures, and equipment, to meet Franchisor's then-current standards;

(5) provided Franchisor with evidence of control of the premises for the Franchised Business for the renewal term;

(6) provided Franchisor with evidence of all licenses and permits (including of the Franchised Business and of its employees, contractors, and staff) required to continue operating the Franchised Business;

(7) provided Franchisor at least two hundred ten (210) days prior written notice of its election to renew the Franchise; and

(8) within thirty (30) days after delivery to Franchisee of all agreements and documents required by Franchisor for renewal: (a) executed Franchisor's then-current form of franchise agreement offered to prospective new franchisees, as amended to reflect that the Franchise is a renewal and not a grant of a new Franchise, and all other agreements and legal instruments and documents then customarily employed by Franchisor in the grant of Autism Care Therapy franchises to prospective new franchisees, including a general release; and (b) paid to Franchisor a renewal fee equal to the greater of fifty percent (50%) of the then-current (at time of renewal) non-discounted initial franchise fee for a first franchise required by Franchisor for an Autism Care Therapy franchise or Thirty Two Thousand Five Hundred Dollars ($32,500).

(c) **Renewal Acknowledgments**. Franchisee acknowledges that the right of renewal set forth herein does not give Franchisee the right to renew any specific provisions of this Agreement, and Franchisee recognizes that the terms of franchise agreements utilized by Franchisor upon renewal are likely to be substantially different than the terms offered by Franchisor as of the date hereof. Franchisee further acknowledges that the failure to meet any conditions of renewal imposed by Franchisor, including those set forth herein, shall be deemed an election by Franchisee not to renew the Franchise.

(d) **Holdover**. If Franchisee does not sign a new franchise agreement prior to expiration of the Term of the Franchise, and Franchisee continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor this Agreement shall be deemed to: (1) have expired as of the date of its stated expiration, with Franchisee then operating without a Franchise to do so and in violation of Franchisor's rights; or (2) be continuing on a month-to-month basis (the "Interim Period") until one party provides the other with written notice of such party's intention to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after receipt of the notice to terminate the Interim Period. Notwithstanding anything set forth herein to the contrary, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if the Term of the Franchise had not expired and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

3 SEARCH AREA; LOCATION; CONSTRUCTION

(a) **Search Area**. Franchisor shall provide general guidelines to Franchisee upon execution of this Agreement for the selection of potential locations for the Franchised Business. If the site has not been approved as of the date Franchisor executes this Agreement, the Franchised Business must be located in the non-exclusive "Search Area" set forth on the Rider. Franchisee acknowledges that Franchisor may grant others the right to seek sites within the foregoing Search

Area, in its sole discretion, and that Franchisee acquires no exclusive or priority rights in such Search Area.

(b) **Site Selection; Location**. Franchisee will have the right to operate the Franchised Business at one (1) location only. The Franchised Business will be located at a site selected by Franchisee and approved by Franchisor. It shall be the responsibility of Franchisee to identify prospective sites for the Franchised Business and to obtain Franchisor's approval of any proposed site for the Franchised Business before obtaining possession of the site. As Franchisee identifies prospective sites, it shall notify Franchisor, and Franchisor will review criteria regarding such prospective sites as Franchisor deems appropriate. Franchisee will assist Franchisor by providing Franchisor any information Franchisor may request regarding any prospective sites. Franchisee shall operate the Franchised Business from the location approved by Franchisor. Franchisee shall not use the Franchised Business or the approved location to operate any business other than the Franchised Business.

(1) **Property Control**. Franchisee shall obtain property control of the approved location of the Franchised Business on or before the "Property Control Date" set forth on the Rider.

(2) **Leasing**. Franchisor reserves the right to review and approve any lease or sublease for the location of the Franchised Business. Franchisee shall ensure that the Lease Rider attached to this Agreement is executed by the Franchisee and the landlord for the Franchised Business contemporaneous with the execution of the lease or sublease for the Franchised Business. Franchisor shall have no responsibility to review the lease or sublease for the Franchised Business or to make any recommendations regarding the terms thereof. Franchisee shall provide Franchisor within five (5) days of execution or amendment, a copy of the lease or sublease, including the Lease Rider, and any amendments to any of the foregoing.

(3) **Rider**. Upon approval of the location of the Franchised Business, Franchisor shall complete, and Franchisee hereby expressly consents to Franchisor completing, the Rider indicating the address of the Franchised Business and the Protected Area, and Franchisee shall secure possession of the location for the Franchised Business.

(4) **Lease Renewal**. If Franchisee requests Franchisor's assistance or review, or Franchisor requires that Franchisee obtains Franchisor's approval and review, of any renewal or extension of Franchisee's lease or sublease for the location of the Franchised Business, Franchisee shall pay Franchisor the then-current lease renewal service fees.

(c) **Design**. Franchisee shall, at its own expense, employ architects, engineers, or others as may be necessary to complete, adapt, and modify fit plans and specifications for the Franchised Business to fit the location. Franchisee shall submit to Franchisor a complete set of final plans and specifications prior to commencing construction of the Franchised Business. Franchisor shall review such plans and specifications and approve or provide comments to Franchisee on the plans and specifications. Franchisee shall not commence construction of the Franchised Business until Franchisor approves in writing the final plans and specifications to be used in constructing the Franchised Business. Franchisor may consult with Franchisee, to the extent that Franchisor deems necessary, on the construction and equipping of the Franchised Business, but it shall be and remain the sole responsibility of Franchisee to diligently design, construct, equip, and otherwise ready and open the Franchised Business on a timely basis.

(d) **Construction Obligations of Franchisee; Opening**. Franchisee must use Franchisor's approved vendors for market analysis, lease negotiations, and real estate construction project management services for the construction and buildout of the Franchised Business. Franchisee shall use a licensed general contractor satisfactory to Franchisor to perform construction work at the Franchised Business. Franchisor shall not be responsible for delays in the construction, equipping, or decoration of the Franchised Business or for any loss resulting from the design or construction since Franchisor has no control over the landlord or contractor or the numerous construction and/or related problems which could occur and delay the opening of the Franchised Business. Franchisor must approve in writing any and all changes in any plans prior to construction of the Franchised Business or the implementation of such changes. Franchisor shall have access to the location of the Franchised Business while work is in progress and may require such reasonable alterations or modifications of the construction of the Franchised Business as Franchisor deems necessary. Franchisee shall not open the Franchised Business if the Franchised Business does not conform to the plans and specifications approved by Franchisor, including changes thereof approved by Franchisor. Franchisee shall correct any unauthorized variance from the approved plans and specifications promptly, and open the Franchised Business on or before the "Required Opening Date" set forth on the Rider.

(e) **Fixtures, Leasehold Improvements, and Equipment**. Franchisor shall provide to Franchisee specifications for leasehold improvements, furniture, fixtures, and equipment for the Franchised Business. All leasehold improvements used in the Franchised Business shall be constructed according to the exact specifications of Franchisor in effect at the time the improvements are made. All furniture, fixtures, and equipment installed in the Franchised Business must also meet the exact specifications of Franchisor, if any, including brand and model number, where designated. Franchisor may designate specific or approved suppliers from whom such items can be purchased. If Franchisor designates a specific supplier for any items, Franchisee must purchase the items from the specific, designated supplier. Franchisee acknowledges that designated, specific suppliers may include Franchisor or its affiliates.

(f) **Exterior and Interior Signs**. All signs used in the Franchised Business must conform to Franchisor's sign criteria as to type, color, size, design, and location. All signs must be approved in writing by Franchisor prior to installation.

(g) **Alterations**. During the Term of the Franchise, the floor plan, interior and exterior design, and furniture, fixtures, and equipment of the Franchised Business shall not be altered or modified, without the prior written approval of Franchisor.

(h) **Remodeling**. Franchisee shall be required to periodically make reasonable capital expenditures to remodel, modernize, and re-decorate the Franchised Business so that the premises reflect the current image intended to be portrayed by Autism Care Therapy businesses. All remodeling, modernization, and redecoration of the Franchised Business must be done in accordance with the standards and specifications prescribed by Franchisor from time to time and with the prior written approval of Franchisor. All replacements must conform to Franchisor's then-current quality standards and specifications and must be approved by Franchisor in writing. Franchisor may inspect, but shall not be obligated to inspect, such work at any time to determine that the work is done in accordance with Franchisor's approved plans and specifications. In addition to the remodel that may be required at the time of renewal, Franchisor may require Franchisee to remodel, modernize, and re-decorate the Franchised Business at any time during the Term of the Franchise. Nothing in this Agreement limits the frequency or cost of future changes to the System of Operation that Franchisor may require. Franchisee understands and agrees that Franchisor has no ability to identify with specificity the nature of these future general improvements or their expected cost and accepts the risk that future general improvements may be imposed that will require significant capital expenditures in an amount that is unknown on the Effective Date and that cannot be fully amortized over the period of time then remaining in the Term of the Franchise.

(i) **Relocation**. During the Term of the Franchise, Franchisee shall not change the site of the Franchised Business without Franchisor's prior written consent, which consent shall not be unreasonably withheld; provided, however, if Franchisor approves a change in the location of the Franchised Business, Franchisor may also change the Protected Area to conform to its then-current standards for the grant of similar territories. If Franchisee desires to operate the Franchised Business from a location other than that indicated in the Rider, and Franchisor approves the new location, Franchisee authorizes Franchisor to amend the Rider to change the location to the address of the new site approved by Franchisor and the Protected Area, and Franchisee shall pay Franchisor a relocation fee of Ten Thousand Dollars ($10,000).

(j) **Indemnification of Franchisor**. Franchisee is strictly responsible for the acts or omissions of its contractors regarding compliance with all specifications and requirements provided by Franchisor, and Franchisor shall have no responsibility for such acts or omissions. Franchisor shall not be liable for any loss or damage arising from the design or plan of the Franchised Business. Franchisee shall indemnify Franchisor for any loss, cost, or expense, including attorneys' fees, that may be sustained by Franchisor because of the acts or omissions of Franchisee's contractors or arising out of the design or construction of the Franchised Business.

4 PROTECTED AREA

(a) **Protected Area**. During the Term of the Franchise, and provided that Franchisee is not in default under this Agreement, Franchisor will not grant to anyone else a Franchise to operate, and will not itself operate, under the Names and Marks, a behavioral therapy center providing Applied Behavior Analysis (ABA) therapy, speech therapy, or occupational therapy services to individuals with developmental disabilities that is physically located in the Protected Area, except as provided below. Franchisee acknowledges that the foregoing restrictions do not prevent Franchisor or its affiliates from any activity not specifically set forth in such restrictions, including:

(1) Operating, or allowing others to operate, similar or identical businesses physically located in the Protected Area, whether under the Names and Marks or other trade or service marks, that are located in self-contained areas serving a restricted or limited population (including at corporate campuses, military bases, schools and colleges, or hospitals) even if the businesses compete with the Franchised Business;

(2) Providing, or allowing others to provide, in-home, virtual, or online therapy products and services, whether under the Names and Marks or other trade or service marks, even within the Protected Area and even if the products and services compete with those offered by the Franchised Business;

(3) Operating, or allowing others to operate, similar or identical businesses physically located outside the Protected Area, whether under the Names and Marks or other trade or service marks, even if the businesses compete with the Franchised Business;

(4) Operating, or allowing others to operate, businesses inside the Protected Area under the Names and Marks or other trade or service marks that do not provide behavioral therapy services;

(5) Selling products to third parties even if such products are sold or provided to Franchisee for use in the Franchised Business, whether located in the Protected Area or otherwise and whether under the Names and Marks or other trade or service marks;

(6) Selling goods or services, or granting others the right to sell goods or services, similar to or competitive with those sold by the Franchised Business, whether using the Names and Marks or other trade or service marks, through other distribution channels (including the Internet, catalog sales, telemarketing, or other direct marketing) both inside and outside the Protected Area;

(7) Acquiring businesses that are similar to the Franchised Business; or

(8) The sale of Franchisor or substantially all of its assets, to any third party regardless whether such third party operates, or franchises the operation of, businesses similar to the Franchised Business.

(b) **Acknowledgments**. Franchisee acknowledges and agrees: (1) that the restrictions set forth in this Section **Error! Reference source not found.** do not prevent Franchisor or its affiliates from any activity not specifically set forth in such restrictions; (2) Franchisor cannot prevent another Autism Care Therapy business from soliciting clients inside Franchisee's Protected Area; (3) other Autism Care Therapy businesses owned by other franchisees or Franchisor may provide the same or competitive products or services to clients residing with Franchisee's Protected Area including at homes within Franchisee's Protected Area, and thus these other Autism Care Therapy businesses may offer in-home services to Franchisee's clients; (4) Franchisee is not prohibited from soliciting clients located outside of its Protected Area, provided that it is licensed to provide the applicable products or services to these clients; and (5) Franchisee's Protected Area may overlap with the Protected Area of another Autism Care Therapy franchisee.

(c) **In-Home Services**. Franchisee shall comply with all policies, standards, and specifications that Franchisor may prescribe relate to in-home services, which may include the boundaries beyond which Franchisee may not offer in-home services and the standards and specifications for the services in order to preserve the quality and reputation of the services provided and in the interests of clients as Franchisor may determine.

(d) **Client Referral Policy**. Franchisor may assign a potential client or referral that Franchisor receives to any Autism Care Therapy business based on its current policies and appointment availability as Franchisor determines in the interests of the client, regardless of proximity of the client to the Franchised Business or the Protected Area and without any obligation or compensation to Franchisee.

5 FEES

(a) **Initial Franchise Fee**. In consideration for the grant of the Franchise to Franchisee, Franchisee shall pay to Franchisor the "Initial Franchise Fee" set forth on the Rider. The Initial Franchise Fee shall be due and payable upon execution of this Agreement. The Initial Franchise Fee shall be deemed to have been earned by Franchisor upon execution of this Agreement, and shall not be refundable.

(b) **System Fee**. On or before the tenth (10th) day of each calendar month, Franchisee shall pay to Franchisor a monthly nonrefundable administrative and system fee of seven percent (7%) of the Gross Sales of the Franchised Business in the prior calendar month (the "System Fee"). The System Fee shall be due and payable beginning on the tenth (10th) day of the month following the first full month after the commencement of operation of the Franchised Business for the prior full month and continuing thereafter for each subsequent month.

(c) **Technology Fees**. Franchisor may, in its discretion, provide Franchisee with certain technology services from time to time. These services may include technology/IT support, the provision of a certain number of email addresses for the Franchised Business, access to and use of Franchisor's technology systems, and use of certain software or other technology to assist in the management of the Franchised Business. Franchisee shall pay Franchisor at the times specified by Franchisor the then-current "Technology Fees" charged for these services, which fees Franchisor may change upon thirty (30) days' prior notice to Franchisee (collectively, the "Technology Fees"). Franchisor may modify or terminate any technology services or support at any time. These are not the only technology or technology services Franchisee will need to operate its Franchised Business and Franchisee is responsible for obtaining such technology and services.

(d) **Client Intake Fee.** On or before the tenth (10th) day of each calendar month, Franchisee shall pay to Franchisor its then-current monthly nonrefundable client intake fee for a client relations call center for incoming client intake (the "Client Intake Fee"). The Client Intake Fee shall be due and payable beginning on the tenth (10th) day of the month following the first full month after the commencement of operation of the Franchised Business for the prior full month and continuing thereafter for each subsequent month.

(e) **Contract and Credentialing Service Fees**. If Franchisor requires Franchisee to obtain contract and credentialing services from Franchisor or Franchisor offers such services on an optional basis and Franchisee elects to obtain such services from Franchisor, Franchisee shall pay Franchisor the then-current contract and credentialing service fees. The contract and credentialing service fees shall be deemed to have been earned by Franchisor when due, and shall not be refundable (regardless whether Franchisor obtains any approvals or is otherwise able to obtain such contracts or credentialing).

(f) **Opening Marketing Plan Fee**. Franchisee shall pay Franchisor an opening marketing plan fee, the amount of which will depend on the Franchised Business' market and Protected Area ("Opening Marketing Plan Fee"). Franchisor will use your Opening Marketing Plan Fee for local advertising, marketing, and promotion of the opening of the Franchised Business in accordance with an opening marketing plan Franchisor develops. The Opening Marketing Plan Fee shall be due and payable upon execution of this Agreement. The Opening Marketing Plan Fee shall be deemed to have been earned by Franchisor upon execution of this Agreement, and shall not be refundable.

(g) **Brand Fund Contribution**. On or before the tenth (10th) day of each calendar month, Franchisee shall pay to Franchisor its then-current monthly nonrefundable Brand Fund contribution, which shall not exceed three percent (3%) of the Gross Sales of the Franchised Business in the prior calendar month (the "Brand Fund Contribution"). The Brand Fund Contribution shall be due and payable beginning on the tenth (10th) day of the month following the first full month after the commencement of operation of the Franchised Business for the prior full month and continuing thereafter for each subsequent month.

6 MARKETING AND PROMOTION

(a) **Use of Brand Fund**. Franchisor will deposit Brand Fund Contributions received from Franchisee into a system-wide brand fund (the "Brand Fund"). Reasonable disbursements from the Brand Fund may be made for the payment of expenses incurred by Franchisor in connection with the general promotion of the Names and Marks, including: (1) development and production of advertising, marketing, and promotional materials; (2) the cost of formulating, developing, and implementing advertising and marketing campaigns, including Internet advertising and Internet search engine campaigns and the cost to maintain and update Franchisor's or its affiliates' websites, web pages, social media and social networking sites, profiles and accounts, and search engine optimization; (3) the cost of formulating, developing, and implementing promotional and public relations programs, including advertising in trade publications; (4) market research; and (5) the reasonable cost of administering the Brand Fund, including professional fees, the cost of salaries and fringe benefits paid to Franchisor's employees engaged in administration of the Brand Fund and creative services, and overhead allocated to advertising activities. All interest, if any, earned by the Brand Fund shall be used for the payment of the foregoing expenses before application of any principal to those expenses. Notwithstanding the foregoing, Franchisor has no obligation to conduct marketing and Franchisor has sole discretion to determine how, if any, monies in the Brand Fund will be spent. Franchisor is not required to use monies in the Brand Fund to benefit any individual market or franchisee. Methods, media employed, contents of advertising, and terms and conditions of advertising campaigns and promotional programs shall be within the sole discretion of Franchisor. Franchisor reserves the right to engage the professional services of an advertising agency owned by, or affiliated with, Franchisor or any of its principals, to assist in developing and/or placing advertising, and to compensate that agency. Franchisor reserves the right to dissolve the Brand Fund but will not do so until all the monies in the Brand Fund have been expended.

(b) **Marketing Supplies and Materials**. Franchisor has no obligation to create marketing or promotional materials for use by Franchisee in conducting marketing for its Franchised Business. However, Franchisor may from time to time produce and make such materials available to Franchisee to purchase at such prices as are set by Franchisor from time to time. Any alterations, other than the insertion of the name and address of the Franchised Business, and the prices charged by Franchisee, must be approved by Franchisor prior to use as provided in Section 6(c). Ownership and rights, whether in the nature of copyrights or otherwise, in and to any altered or modified marketing materials or reproductions of Franchisor's marketing materials, shall vest in Franchisor and Franchisor shall be free to use and to offer others the use of any of the foregoing materials without restriction.

(c) **Local Marketing Spend**. Once the Franchised Business opens, and in addition to the Brand Fund Contribution, Franchisee must spend a minimum of One Thousand Dollars ($1,000) per calendar quarter on approved local advertising via local marketing campaigns and promotional programs and Internet advertising and Internet search engine campaigns. Franchisor may review Franchise's books and records periodically to determine Franchisee's expenditures for advertising and promotion and Franchisee must submit an accounting of its expenditures within fifteen (15) days of the end of each calendar quarter. Upon sixty (60) days' notice to Franchisee, Franchisor may decrease or increase the minimum local marketing spend requirement and increase or decrease the Brand Fund Contribution by the same amount. If Franchisee does not meet this monthly requirement, Franchisor may require Franchisee to contribute to the Brand Fund the difference between what Franchisee actually spent on approved local marketing and the minimum that Franchisee was required to spend on approved local marketing. Indirect costs Franchisee incurs in managing its local advertising campaigns, such as salaries and benefits of its employees, will not count towards these minimum expenditure requirements. Additionally, any costs Franchisee incurs for paid media advertising where keyword strategy or pay-per-click tactics are used and advertising conducted at the Franchised Business (such as grand opening marketing expenses, in-store materials and signage or banners) will not count towards these minimum expenditure requirements.

Prior to using any marketing or promotional materials, advertisements, or other advertising not prepared by or at the direction of Franchisor, Franchisee shall submit such items to Franchisor for its prior approval. Such materials will be deemed approved by Franchisor for use unless Franchisee receives notice of disapproval within fourteen (14) days after Franchisor's receipt of such materials. However, Franchisor may revoke approval of any previously approved materials at any time.

(d) **Social Media Presence**. Franchisor shall list the Franchised Business, including such information as Franchisor may determine such as location, hours of operation, Licensed Providers, and service offerings, on Franchisor's or its affiliate's website. Any and all content and any changes to the same must be approved by Franchisor prior to being made and the website listing or subpage may contain only such information as Franchisor may approve from time to time. Other than this website listing or subpage, Franchisee shall not establish or maintain, or have established or maintained on its behalf, either alone or in concert with others, any other digital or electronic medium or method of communication, including a website, home page, HTML document, Internet site, web page, online directory or online business profile, review and opinion web pages or sites, or social media or social networking site, hashtag, profile, avatar, account or username relating to or making reference to Franchisor or the Franchised Business (each, a "Social Media Presence"), unless otherwise approved by Franchisor. Franchisee may not use all or part of any of the Names and Marks, or any similar name, word, symbol, or variant thereof, in a domain name, email address, account name, username, profile, or URL. Franchisor reserves the right at any time, in its sole discretion, to require Franchisee to remove, delete, or modify any Social Media Presence, or any information, content, or post thereon. Franchisor will retain sole ownership of any Social Media Presence, as well as any domain name related thereto and all content thereon, which includes all or a portion of any of the Names and Marks, or any word, phrase, or symbol confusingly similar thereto or variant thereof, as part of the domain name, username, account name, profile, or page reference.

Franchisee may not offer, promote, or sell any products or services or make use of any of Franchisor's Names and Marks, the Franchised Business, or the System of Operation, via any Social Media Presence without Franchisor's prior written approval. Franchisee acknowledges that Franchisor may also impose prohibitions on Franchisee posting or blogging of comments about Franchisor, the Franchised Business, or the System of Operation. The foregoing prohibition includes personal blogs, common social networks like Facebook, Instagram, TikTok, X, Snapchat, and Pinterest; professional networks, business profiles, or online review or opinion sites like LinkedIn, Google Business Profile, or Yelp; live-blogging tools like Twitter and Snapchat; virtual worlds, metaverses, file, audio and video-sharing sites, and other similar social networking or media sites or tools.

(e) **Franchisor-Identified Social Media Presence**. Franchisee will comply with all directives from Franchisor with respect to any Social Media Presence approved by Franchisor, including those related to materials posted on any Social Media Presence, links to and from any Social Media Presence, the use of the Names and Marks on any Social Media Presence, provision to Franchisor of passwords and any log-in credentials needed to access, remove, delete, or modify any Social Media Presence, and security for any Social Media Presence. In addition, any Social Media Presence approved by Franchisor must be operated and maintained by Franchisee in compliance with all provisions of this Agreement, including those regarding the use of confidential and proprietary information, as well as any and all operating procedures, policies, standards, and requirements that Franchisor may specify from time to time. Franchisee must also maintain any Social Media Presence approved by Franchisor in compliance with all applicable laws, rules, and regulations, including those applicable to copyright and trademark, privacy, anti-defamation, and advertising and endorsements. Franchisor reserves the right at any time, in its sole discretion, to itself, or require Franchisee to, remove, delete or modify any Social Media Presence, or any information, content or post thereon. Franchisor will retain sole ownership of any Social Media Presence, as well as any domain name related thereto and all content thereon, which includes all or a portion of any of the Names and Marks, or any word, phrase or symbol confusingly similar thereto or variant thereof, as part of the domain name, username, account name, hashtag, profile or page reference (a "Franchisor-Identified Social Media Presence").

(f) **Security**. Franchisee is solely responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and Franchisee waives any and all claims Franchisee may have against Franchisor or its affiliates as the direct or indirect result of such disruptions, failures, or attacks. If Franchisee suspects or knows of a security breach, Franchisee shall immediately give notice of such security breach and promptly identify and remediate the source of any compromise of security breach at its expense. Franchisee assumes all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories, client information, and transactions concerning clients of the Franchised Business, unless otherwise directed by Franchisor. Franchisee shall comply with all standards, laws, rules, regulations, or any equivalent thereof relating to personal information, patient health information, data privacy, and data protection, including but not limited to, as applicable, the California Consumer Privacy Act, Cal. Civ. Code Section 1798.100 et seq., and must comply with any privacy policies or data protection and breach response policies Franchisor periodically may establish.

(g) **Advertising Cooperative**. At such time as Franchisor in its sole discretion may determine, Franchisee shall join an advertising cooperative made up of other Autism Care Therapy businesses (the "Local Cooperative"), as determined by Franchisor. In such event, Franchisee shall be required to participate in the Local Cooperative on the terms and conditions required by Franchisor and Franchisee shall contribute to the cooperative such amounts as required by Franchisor. Any amounts contributed by Franchisee to the cooperative will be credited towards the local marketing spend requirement in Section 6(c). Franchisor shall have the right to modify or dissolve any Local Cooperative at any time.

(h) **Photos and Videos of the Franchised Business**. Franchisor shall have the right to take photographs and videos of the Franchised Business and associated signage and premises and to use such photographs and videos in any advertising or promotional material, in any form or medium now existing or later developed. Franchisor may use the foregoing without providing notice to Franchisee or receiving Franchisee's consent, and Franchisor shall not be obligated to make attribution or to compensate Franchisee for use of the foregoing. Upon the request of Franchisor, Franchisee shall cooperate with Franchisor in taking and arranging for such photographs and videos and for obtaining the necessary consents of or assignments from individuals depicted in or involved in such photographs or videos. Franchisee irrevocably assigns to Franchisor all of its right, title, and interest, if any, in and to all such photographs and videos, together with all related intellectual property rights.

7 METHOD OF PAYMENT; LATE PAYMENT CHARGES

(a) **Electronic Funds Transfer**. Franchisee shall remit all fees and other amounts due to Franchisor or its affiliates via electronic-funds transfer or other similar means. Franchisee shall comply with all procedures specified by Franchisor in this Section 7 and in the Confidential Manual(s) with respect to such transfers, and deliver and execute such documents as may be necessary to facilitate or accomplish payment by the method described in this Section 7.

(1) On or before the fifth (5th) day of each calendar month, beginning in the month following the first full month after the commencement of operation of the Franchised Business, Franchisee shall report to Franchisor the true and correct Gross Sales of the Franchised Business in the prior calendar month (but in the first month, the report shall include all Gross Sales received by Franchisee from the date of this Agreement through the end of the prior month, all of which shall be deemed Gross Sales received in the prior month). Notwithstanding the foregoing, Franchisor reserves the right, without notice to Franchisee, to independently access the Franchised Business' accounting and financial systems and data or any accounting or financial systems used or required by Franchisor for the System of Operation to determine Gross Sales and fees due to Franchisor under this Agreement, and Franchisee shall grant Franchisor access to all such accounting and financial systems and data.

(2) Franchisee shall authorize Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of System Fees, Brand Fund Contributions, Technology Fees, and any other amounts payable to Franchisor or its affiliates under this Agreement. Franchisee shall make the funds available to Franchisor for withdrawal by electronic transfer no later than 10:00 a.m. central time on the tenth (10th) day of each calendar month, or if that day is not a banking business day, then by 10:00 a.m. central time on the closest banking business day preceding the tenth (10th) day. If Franchisee fails to timely report the Gross Sales for any period, withholds Franchisor's access to accounting and financial systems or data, or otherwise fails to pay amounts due to Franchisor, Franchisor may debit Franchisee's account for the greater of: (a) one hundred ten percent (110%) of the fees transferred from Franchisee's account for the last reporting period for which a report of the Gross Sales was provided to Franchisor; (b) the amount due for any fees based upon information Franchisor has regarding the Franchised Business; or (c) one hundred ten percent (110%) of the fees paid by Franchisee for the same period in the prior year.

(3) If, at any time, Franchisor determines that Franchisee has under-paid System Fees, Brand Fund Contributions, Technology Fees, or other amounts payable to Franchisor or its affiliates, Franchisor shall be authorized to initiate immediately a debit to Franchisee's account in the appropriate amount in accordance with the foregoing

procedure, plus late payment charges as provided for in this Agreement. Any overpayment shall be credited to Franchisee's account through a credit effective as of the first reporting date after Franchisee and Franchisor determine that such credit is due. If the amount debited is less than the actual amount owed, Franchisee shall pay the remaining amount owing, plus a late payment charge thereon as set forth in this Agreement. If Franchisor is unable for any reason to debit the full amount permitted under this Agreement, Franchisee shall remit the remaining amount owing within five (5) days from notice by Franchisor, plus a late payment charge thereon as set forth in this Agreement.

(b) **Minimum Account Balance**. Franchisee shall at all times maintain a minimum balance in the designated checking or savings account for payments of fees and any other amounts payable by Franchisee to Franchisor or its affiliates in an amount specified by Franchisor.

(c) **Late Payment Charges**. All fees or payments of any type whatsoever owed by Franchisee to Franchisor or its affiliates that are not received when due will be subject to the imposition of late payment charges equal to the maximum rate permitted by law, not to exceed one and one-half percent (1 1/2%) per month. Without limiting the foregoing, Franchisor shall also charge its current late fee for each notification or demand for payment sent to Franchisee, non-sufficient funds payments by check or electronic transfer by Franchisee, or Franchisee's failure to provide reports and financial statements in a timely manner.

(d) **No Setoff**. Franchisee shall not withhold or escrow any amounts due to Franchisor under this Agreement, or set off any such amounts against any amounts claimed to be due to Franchisee.

(e) **Taxes**. If any sales, excise, use, or privilege tax is imposed or levied by any government or governmental agency on account of any amounts payable under this Agreement, Franchisee shall pay to Franchisor as an additional fee, a sum equal to the amount of such tax (but this provision shall not apply to any federal or Illinois income taxes imposed upon Franchisor).

(f) **Timing of Payment**. Unless specifically set forth herein to the contrary, all amounts owed to Franchisor or its affiliate shall be due and payable to Franchisor within ten (10) days following Franchisee's receipt of an invoice therefor. System Fees, Brand Fund Contributions, Technology Fees, and any other periodic fees shall be due and payable as set forth in this Agreement. Franchisor reserves the right, upon at least sixty (60) days' prior notice to you, to change the frequency of payment of any fees, including charging and collecting any fees weekly or on any other billing cycle rather than monthly or annually, provided that such fee will be prorated based on the number of days in the applicable billing cycle.

(g) **Fees**. Franchisor may at any time in its sole discretion, upon at least sixty (60) days' prior notice to Franchisee, modify any prices or other amounts charged by Franchisor or an affiliate for products or services, other than the System Fees.

8 TRAINING; ASSISTANCE; ONGOING SUPPORT

(a) **Initial Training Program**. Franchisor shall provide, at a suitable location of its choice or virtually, in Franchisor's discretion, an initial training program for Franchisee, the Franchised Business' Director and manager, and the Franchised Business' BCBA (up to four (4) trainees) (the "Initial Training Program"). Travel and living expenses incurred by individuals attending training on Franchisee's behalf in connection with the Initial Training Program shall be the responsibility of Franchisee. Franchisee, the Franchised Business' Director and manager, and the Franchised Business' BCBA shall attend and satisfactorily complete the Initial Training Program at least sixty (60) days prior to commencing operation of the Franchised Business. If Franchisee, the Franchised Business' Director or manager, or the Franchised Business' BCBA fail to satisfactorily complete the Initial Training Program, Franchisor may terminate the Franchise Agreement.

Following commencement of operation of the Franchised Business, any new Directors, managers, and BCBA's must attend and satisfactorily complete the Initial Training Program before commencing work at the Franchised Business. Travel and living expenses incurred by individuals attending training on Franchisee's behalf in connection with the Initial Training Program shall be the responsibility of Franchisee. Franchisor shall charge such fees as it shall establish from time to time for such training and such fees must be paid prior to the time such training begins. If Franchisor accepts Franchisee's request to send a trainer to conduct training at the Franchised Business or other location, or otherwise requires such training at the Franchised Business or other location, Franchisee shall also reimburse travel and living expenses incurred by Franchisor to send a trainer to the Franchised Business or other location.

(b) **Telephone or Electronic Advisory Service**. Franchisor will be available during normal business hours, and without charge to Franchisee, to provide Franchisee with reasonable telephone and email support on operating issues concerning the Franchised Business.

(c) **Additional Optional Assistance**. Upon the request of Franchisee, at reasonable times determined by the parties, Franchisor will provide additional training or assistance to Franchisee on topics requested by Franchisee and agreed to by Franchisor. Such training or assistance shall be held at a location determined by Franchisor or may be provided electronically. Franchisor shall charge such fees as it shall establish from time to time for such training or assistance and such fees must be paid prior to the time such training or assistance begins. If Franchisor accepts Franchisee's request to send a trainer to provide such training or assistance at the Franchised Business or other location, or otherwise requires such training or assistance at the Franchised Business or other location, Franchisee shall also reimburse travel and living expenses incurred by Franchisor to send a trainer to the Franchised Business or other location. Travel and living expenses incurred by individuals attending such training or assistance on Franchisee's behalf shall be the responsibility of Franchisee.

(d) **Additional Mandatory Assistance**. From time to time Franchisor may require Franchisee to undergo certain training on various topics, including operations to be implemented at the Franchised Business or new procedures, or Franchisor may elect to provide mandatory additional assistance. Such training or assistance shall be held at a location determined by Franchisor or may be provided electronically. Franchisor shall charge such fees as it shall establish from time to time for such training or assistance and such fees must be paid prior to the time such training or assistance begins. If Franchisor accepts Franchisee's request to send a trainer to provide such training or assistance at the Franchised Business or other location, or otherwise requires such training or assistance at the Franchised Business or other location, Franchisee shall also reimburse travel and living expenses incurred by Franchisor to send a trainer to the Franchised Business or other location. Travel and living expenses incurred by individuals attending such training or assistance on Franchisee's behalf shall be the responsibility of Franchisee.

(e) **Refresher Training**. Franchisor may require that Franchisee, the Franchised Business' Director and/or manager, and/or the Franchised Business' BCBA participate in up to five (5) days per calendar year of refresher training in the operations and marketing of the Franchised Business. Such refresher training shall be held at a location determined by Franchisor or may be provided electronically, or at an annual conference of franchisees which Franchisor can require Franchisee to attend once per calendar year. Franchisor shall charge such fees as it shall establish from time to time for such refresher training and such fees must be paid prior to the time such refresher training begins. If Franchisor accepts Franchisee's request to send a trainer to provide such refresher training at the Franchised Business or other location, or otherwise requires such refresher training at the Franchised Business or other location, Franchisee shall also reimburse travel and living expenses incurred by Franchisor to send a trainer to the Franchised Business or other location. Travel and living expenses incurred by individuals attending such refresher training on Franchisee's behalf shall be the responsibility of Franchisee.

(f) **Conferences**. Franchisor may host an annual conference for all franchisees operating under the Names and Marks. If Franchisor chooses to hold such a conference, Franchisee must attend such conference or send a representative approved by Franchisor. Regardless whether Franchisee attends a conference, it shall pay to Franchisor one (1) registration fee upon invoice from Franchisor. Franchisee shall pay Franchisor's current registration fees for any such conference.

(g) **Confidential Manual(s)**. Franchisor shall loan to Franchisee one or more manuals for use in the Franchised Business, which manuals may consist of brand and operating standards, operations, guidelines, and customer services manuals or otherwise (the "Confidential Manual(s)"). The Confidential Manual(s) are not to be copied in whole or in part, shall remain the property of Franchisor, and shall always be kept in safekeeping. Franchisor, from time to time, may add to or modify some or all of the Confidential Manual(s) to supplement or to improve the System of Operation and the contents and methods of promotion franchised hereunder and Franchisee shall at all times maintain the updated Confidential Manual(s).

(h) **Forms**. Franchisor may provide to Franchisee various example forms Franchisee may use in the operation of the Franchised Business, including payment forms, enrollment forms, intake forms, consent forms, and templates. Franchisee may not provide services to a minor unless and until the minor's parent or guardian signs a form or unless Franchisee is otherwise able to provide services to certain minors under applicable law. Franchisor makes no representation or warranty as to the enforceability of any contracts or other forms provided to Franchisee for use in its Franchised Business, or whether any such forms meet the legal requirements of the jurisdiction in which Franchisee does business. Franchisee acknowledges that it is Franchisee's responsibility to modify such forms to meet all laws and regulations applicable to the Franchised Business and to use no contract that does not comply with applicable law. Franchisor may from time to time update the forms provided to Franchisee. Upon provision of an updated form to Franchisee, Franchisee must immediately discontinue use of any prior version and only use the new version of the form on a going forward basis.

(i) **Level of Performance; Delegation**. Franchisor is not obligated to perform any services to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge, and judgment. In addition, Franchisor shall have the right to subcontract or delegate any of its duties and responsibilities under this Agreement; provided, however, Franchisor shall be responsible for the performance of such duties, notwithstanding such subcontract or delegation, to the same extent as if Franchisor had not subcontracted or delegated such duties, unless such subcontract or delegation is in connection with an assignment pursuant to Section 16.

(j) **Notice of Deficiencies**. If Franchisee believes Franchisor has failed to adequately provide any services required to be provided to Franchisee or its employees in regard to the training, support, or any other matter affecting the establishment of the Franchised Business, Franchisee shall so notify Franchisor in writing within thirty (30) days following opening of the Franchised Business. Absent the timely provision of such notice to Franchisor, Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening services required to be performed by Franchisor were sufficient and satisfactory in Franchisee's judgment.

9 OPERATION OF THE FRANCHISED BUSINESS

(a) **Commencement of Operation**. Franchisee may not commence operation of the Franchised Business until Franchisee has satisfied all conditions set forth in this Agreement required to be satisfied by Franchisee prior to opening the Franchised Business, including successful completion of the Initial Training Program, obtaining all licenses, permits, and certifications necessary to operate the Franchised Business, and being current on all amounts due to Franchisor and its affiliates and suppliers. Franchisee shall open the Franchised Business on or before the "Required Opening Date" set forth on the Rider.

(b) **Management of the Franchised Business; Owners**. For the first six (6) months after the Franchised Business commences operation, Franchisee (or if Franchisee is a corporation, partnership, or limited liability company, an owner of Franchisee) must participate personally, on a full-time basis, in the operation and management of the Franchised Business. Franchisee shall also employ at least one (1) Licensed Provider to serve as the full-time director responsible for the clinical operation and management of the Franchised Business ("Director") and who must meet Franchisor's minimum qualifications. Franchisee may also employ one (1) or more managers who are responsible for administrative operations of the Franchised Business. Notwithstanding the foregoing, Franchisee shall at all times be held responsible for the day-to-day operation and management of the Franchised Business. At the time this Agreement is executed by Franchisee, Franchisee shall also complete the Statement of Ownership and Management attached hereto, and, if Franchisee is a corporation, partnership, or limited liability company, each owner of Franchisee as of the date hereof, as well as any future owners of Franchisee, must sign Franchisor's then-current Guaranty at the time such individual becomes an owner of Franchisee. Franchisee shall immediately notify Franchisor of any change in any of the information in the Statement of Ownership and Management last submitted to Franchisor. Further, upon request of Franchisor, Franchisee shall provide Franchisor with an updated Statement of Ownership and Management.

(c) **Personnel**. Franchisee shall hire all personnel of the Franchised Business, and be exclusively responsible for the terms of their relationships with Franchisee, including compensation, education and training, licensure and certification, discipline, and termination. Franchisee shall post a notice in the Franchised Business, conspicuous to Franchisee's employees, notifying Franchisee's employees that they are employees of Franchisee and not of Franchisor. Franchisee shall also obtain from each of its personnel an acknowledgment signed by such personnel providing that such individual understands, acknowledges, and agrees that they are an employee of Franchisee and not Franchisor and that such individual shall look solely to Franchisee for their compensation and for all other matters related to their relationship with Franchisee.

(1) Furthermore, Franchisee shall require each Director and manager, as a condition to their employment, to enter into a confidentiality agreement, enforceable by Franchisor, restricting the disclosure of confidential information to the same extent as Franchisee is restricted under this Agreement (to the extent allowed by state law). If there is a violation of that agreement, Franchisee shall take all action necessary to enforce that agreement. If Franchisee fails to enforce that agreement, it shall be liable to Franchisor for any damages, costs, and losses suffered by Franchisor, including any attorneys' fees Franchisor may incur if it elects to attempt to enforce that agreement on Franchisee's behalf. In such event, Franchisee shall execute all documents reasonably requested by Franchisor in connection with such enforcement attempt. Franchisee shall provide Franchisor an executed copy of each such agreement immediately upon execution by Franchisee and a Director or manager.

(2) Franchisee must hire and retain at least one (1) full-time supervising BCBA and, if required under applicable law to offer the products and services offered through the Franchised Business, at least one (1) Registered Behavior Technician, Speech-Language Pathologist, and Occupational Therapist. Franchisee shall not engage, or permit anyone else to engage, in the practice of applied behavior analysis, or any other profession that requires specialized training, licensure, or certification (including Applied Behavior Analysis (ABA) therapy, speech therapy, and occupational therapy) unless properly trained, licensed, and certified.

(3) If the Franchised Business no longer has a full-time designated supervising BCBA for any reason, (1) Franchisee shall, within twenty four (24) hours of the separation of the supervising BCBA from the Franchised Business, notify Franchisor; (2) Franchisee shall hire a successor BCBA and promptly have the successor BCBA complete training with Franchisor; (3) the Franchised Business may not be permitted to operate due to the lack

of a supervising BCBA (however, all fees payable to Franchisor will continue to apply); and (4) in the event that the Franchised Business does not hire a successor supervising BCBA within forty five (45) days of the date of separation of the prior supervising BCBA, Franchisor may terminate the Franchise Agreement.

(d) **Training**. Franchisee shall provide to each of its staff members, including all Licensed Providers, a training program meeting Franchisor's requirements. Franchisee shall also provide such other periodic training to such individuals as is required by Franchisor. Franchisee shall provide to Franchisor, upon Franchisor's request, a certification that all of such individuals have successfully completed the training programs.

(e) **Maintenance of High Quality Service**. Franchisee shall utilize its best efforts, skill, and diligence to ensure that Franchisee and Franchisee's employees, contractors, and agents establish and maintain high quality service to all doing business with the Franchised Business. At all times, Franchisee shall conduct its business in a manner that will preserve and enhance the goodwill associated with the Names and Marks and adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct in all business dealings. Franchisee shall not offer any products and services through the Franchised Business that are not approved by Franchisor, and Franchisee and its Licensed Providers must be properly licensed or otherwise permitted by state law to provide the products and services offered through the Franchised Business, all of which must meet Franchisor's standards and specifications. Franchisee shall not, however, use the Franchised Business to operate any business, or offer any products or services, that have not been approved by Franchisor.

(f) **Compliance with Specifications and Procedures**. Franchisee acknowledges that the Confidential Manual(s) are designed to protect Franchisor's standards and System of Operation, and the Names and Marks, and not to control the day-to-day operation of the business or the administration of medical or health products or services or to control or influence the independent medical judgment of any Licensed Providers. Franchisee shall comply with all rules, regulations, and directives specified by Franchisor as well as all mandatory standards, specifications, and procedures contained in the Confidential Manual(s), as amended from time to time, and shall adopt and adhere to the policies of Franchisor. Franchisor specifically reserves the right to modify or change such rules, regulations, and directives.

(g) **Internet Usage**. Franchisee must subscribe, at Franchisee's expense, to an Internet service provider or other electronic communication provider or service and obtain and use, at Franchisee's expense, and in the manner and form and meeting such minimum standards as Franchisor may approve or require, computer equipment, operating software, communication services, and other electronic and computer systems, and the like, for communicating, reporting, and other operations of the Franchised Business. Franchisor shall have independent access to all of Franchisee's computer systems, excluding any employment records and, except as provided in Section 19(d)(6), client records containing personal health information. Franchisor may require that any and all communications between Franchisee and Franchisor be made through the Internet or such other electronic medium as Franchisor may designate, and Franchisee may be required to access the Internet or other electronic information on a regular basis to obtain full benefit of the System of Operation. Franchisee shall maintain a working email address to communicate with Franchisor. Franchisor is not liable for any damage to Franchisee including lost profits, which occur as a result of any outage or delay related to electronic transmission of information, whether by the Internet or otherwise, or as a result of Franchisee's failure to access the information. Franchisor may, in its sole discretion, make use of any information furnished by it to Franchisee in the conduct of its business, excluding any employment records and, except as provided in Section 19(d)(6), client records containing personal health information.

(h) **Upgrades**. Notwithstanding anything set forth in this Agreement to the contrary, Franchisor may require Franchisee to upgrade any technology used by Franchisee in the Franchised Business at any time and without regard to any expenditure limitations. Additionally, there shall be no limit on Franchisor's right to require Franchisee to replace its computer systems, to replace or upgrade hardware or software used by Franchisee in the Franchised Business, or to require Franchisee to purchase additional hardware or software that Franchisor may select for use in the Franchised Business.

(i) **Provision of Information**. Franchisee acknowledges and agrees that any and all information provided to Franchisee by Franchisor under this Agreement may be provided in such manner and by such media as Franchisor may determine, including, without limitation, by electronic and/or computer means. Franchisee also specifically agrees Franchisor may communicate with Franchisee by fax, email, or other electronic communications.

(j) **Franchisee Control of the Franchised Business**. Franchisee acknowledges that it is responsible for the day-to-day operation of its Franchised Business, including hiring; setting the conditions of employment; supervising, discipline, and termination of all personnel; purchases (or leases) and maintenance of equipment and supplies; maintenance of employment records; daily maintenance, safety, security, and the achievement of compliance with the System of Operation; and the provision of health or medical products and services and the exercise of medical judgment. Franchisor's ability to approve certain matters, to inspect the Franchised Business and its operations, and to enforce its rights, exists only to the extent necessary to protect its interest in the System of Operation and the Names and Marks. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters that are clearly reserved to Franchisee. Franchisee's employees are not Franchisor's agents or employees and Franchisor is not a joint employer of these individuals. Franchisee is solely responsible for performing all administrative functions at the Franchised Business, including payroll and providing workers' compensation insurance. Franchisee acknowledges that it is not economically dependent on Franchisor, and that Franchisor does not provide facilities, equipment, or house or transport Franchisee's employees or provide to Franchisee's employees tools or materials required for Franchisee's employees to perform services for Franchisee.

(k) **Independent Medical Judgment**. Notwithstanding Franchisor's right to require Franchisee to operate its Franchised Business in accordance with the System of Operation, and the standards set from time to time by Franchisor, Franchisor and Franchisee recognize that the practice of behavioral therapy is a profession requiring independent judgment, skill, and training and is governed by federal, state, and local laws and regulations. By granting Franchisee a Franchise, Franchisor is not engaging in the practice of medicine, behavioral therapy, or any other profession that requires specialized training, licensure, or certification. Franchisee must not engage in the practice of medicine, behavioral therapy, or any other profession that requires specialized training, licensure, or certification unless properly trained, licensed, and certified. This Agreement will not interfere, affect, or limit the independent exercise of medical judgment by the Licensed Providers. Franchisor does not interfere, affect, or limit the independent exercise of medical judgment by the Licensed Providers. However, Franchisee must adhere to all applicable laws including any state and industry standards on therapeutic services. Any inconsistency between the standards of the System of Operation or the advice of Franchisor, on the one hand, and any legal requirement, on the other hand, is inadvertent and not an effort to cause Franchisee to deviate from such legal requirements or the proper practice of its profession. Therefore, Franchisor and Franchisee understand and agree that (1) in all cases, lawful, regulatory requirements take precedence over any inconsistent advice, counsel, or other guidance offered by Franchisor as well as any inconsistent standards Franchisor may prescribe; (2) no business advice given by Franchisor nor any standard Franchisor prescribes or recommends shall be taken as advice in respect of the practice of the profession of behavioral therapy, as defined by law; and (3) in any case in which Franchisee believes that Franchisor's advice or standards contravene the practice of the profession of behavioral therapy or any legal requirements of that practice, Franchisee will notify Franchisor, orally and in writing, immediately. Franchisee acknowledges and agrees that its right to use and access any client records derived from the operation of the Franchised Business exists solely during the Term of this Agreement.

(l) **Taxes**. Franchisee shall promptly pay when due all taxes levied or assessed by reason of its operation and performance under this Agreement. Franchisee further shall secure and pay premiums on a workers' compensation policy covering all of its employees and, if applicable, shall pay all state unemployment taxes, state sales taxes, and all other taxes and expenses of operating the Franchised Business. In the event of any bona fide dispute as to the liability for any taxes assessed against Franchisee, Franchisee may contest the validity or amount of the tax in accordance with procedures of the taxing authority. In no event, however, shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant to occur against the Franchised Business, or any part thereof. If Franchisee at any time fails or refuses to pay any taxes due, Franchisor, at its option and in addition to its other rights and remedies hereunder, may pay such taxes due on behalf of Franchisee, and any amounts paid by Franchisor in connection therewith (including late payment fees and interest) shall be paid by Franchisee to Franchisor on demand plus an administrative fee equal to fifteen percent (15%) of the amounts paid by Franchisor in connection therewith.

(m) **Compliance with Laws**. Franchisee shall comply with all laws and regulations applicable to its Franchised Business, including all zoning laws, licensing and permitting requirements, corporate practice of medicine laws, the Health Insurance Portability and Accountability Act of 1996, or HIPAA, the Health Information for Economic and Clinical Health Act, or HITECH, anti-kickback laws (including the Federal Medicare Anti-Kickback law and state Medicaid laws concerning reimbursement for services for those who participate in Medicaid), prohibitions on fee splitting and self-referral restrictions (including the federal "Stark Law" and similar state laws), payment systems for medical benefits available to individuals through private insurance and government resources (including Medicare and Medicaid), and the Americans With Disabilities Act. Without limiting the foregoing, all Licensed Providers and other persons offering therapy or other medical or health products or services at the Franchised Business must be properly licensed or otherwise permitted to provide such products and services under all applicable laws and regulations. Further, the Confidential Manual(s) may require that Franchisee take certain actions related to Medicare, Medicaid, and other government programs, in compliance with applicable laws and Franchisor's standards.

(n) **Programs**. Franchisee must participate in, comply with all terms and conditions of, and pay all charges related to, all programs Franchisor may require Franchisee to participate in from time to time. The terms and conditions of any such programs, as well as the programs themselves, may be modified or terminated at any time by Franchisor in its sole and absolute discretion.

(o) **Franchisor Temporary Management**. In addition to all other fees due to Franchisor under this Agreement, upon Franchisee's default, death, or incapacity (or in the case of a partnership, corporation, or limited liability company, by the death or incapacity of an owner controlling more than forty-nine percent (49%) of the voting interest of Franchisee), Franchisor may, but has no obligation to, appoint a manager to manage and operate the Franchised Business on a temporary basis, and Franchisee shall pay Franchisor its then-current management fee plus Franchisee shall reimburse Franchisor's travel, lodging, meals, and related expenses it incurs in managing and operating the Franchised Business during this temporary period. If the Franchised Business does not have a BCBA for any reason, and Franchisor elects to appoint a third-party BCBA for the Franchised Business, Franchisee shall also pay Franchisor its then-current management fee for appointing a third-party BCBA for the Franchised Business.

10 NAMES AND MARKS

(a) **Display of Names and Marks**. Franchisee shall operate under, and prominently display, the Names and Marks in the operation of the Franchised Business in the manner specified by Franchisor, and pursuant to the standards made available to Franchisee by Franchisor. Franchisee shall use no commercial trade names, service marks, or other commercial symbols, including associated logos, that do not satisfy the criteria established by Franchisor. If this Agreement is assigned to, or Franchisee is a, corporation, partnership, or limited liability company, Franchisee may not use all or part of the Names and Marks as part of the name of the corporation, partnership, or limited liability company, and Franchisee must obtain Franchisor's prior written approval of the name of the corporation, partnership, or limited liability company prior to incorporation, formation, or organization, as applicable. Franchisee may not use all or part of any of the Names and Marks, or any similar name, word, symbol, or variant thereof, in a domain name, account name, profile, or URL, except as specifically approved by Franchisor.

(1) If Franchisor deems it advisable, Franchisee shall file for and maintain a "Certificate of Trade Name" or "Assumed Name" in the county or state, or other appropriate jurisdiction, in which the Franchised Business is located.

(2) Franchisee shall not use any of the Names and Marks in combination with other words, letters, prefixes, suffixes, logos, or designs, other than in the manner authorized by Franchisor.

(b) **Change of Names and Marks**. From time to time, Franchisor may elect to discontinue the use of certain Names and Marks and to commence use of new Names and Marks. Franchisee shall pay all expenses incurred in connection with discontinuing the use of existing Names and Marks in the Franchised Business and commencing the use of new Names and Marks therein.

(c) **Ownership of Marks and Goodwill**. Franchisee acknowledges that Franchisor owns the Names and Marks. Franchisee's right to use the Names and Marks is under a license derived solely from this Agreement and all such usage and any goodwill established thereby shall inure to the exclusive benefit of Franchisor. Franchisee waives any right to challenge Franchisor's entitlement or ownership of the Names and Marks.

(d) **Cessation of Use**. Franchisee agrees that, upon the expiration or termination of the Term of the Franchise for any reason whatsoever, Franchisee shall immediately discontinue the use of the Names and Marks, and thereafter shall no longer use, or have the right to use, the Names and Marks.

(e) **Notification of Infringement**. Franchisee shall immediately notify Franchisor of any infringement of or challenge to Franchisee's use of present and future Names and Marks and shall not communicate with any other person in connection with any such infringement, challenge, or claim. Franchisor shall have sole discretion to take such action as it deems appropriate, including the exclusive control of any litigation or any trademark office or other administrative proceeding arising out of any such infringement, challenge, or claim relating to any of the Names and Marks.

11 FURNITURE, FIXTURES, AND EQUIPMENT; SUPPLIES AND SERVICES

(a) **Furniture, Fixtures, and Equipment Maintenance**. Franchisee shall maintain all furniture, fixtures, and equipment used in the Franchised Business in excellent working condition. As such items become damaged, worn, obsolete, unsafe, or mechanically impaired to the extent they require replacement, Franchisee shall replace such items with either the same or substantially similar types and kinds of furniture, fixtures, or equipment as are being installed in other, similar businesses franchised by Franchisor, or opened by Franchisor or its affiliates, at the time replacement becomes necessary. All such furniture, fixtures, and equipment used in the Franchised Business shall meet the specifications of Franchisor and shall be approved by Franchisor prior to installation or use thereof.

(b) **Specifications and Approved Suppliers**. Unless Franchisor otherwise approves, the furniture, fixtures, and equipment; design and décor, branded items and signage; technology hardware and software, technology, and security systems; credentialing; real estate project management, payment processing, and accounting services; products Franchisee purchases for use or sale at the Franchised Business; insurance; and advertising and marketing materials and services, must meet Franchisor's specifications as they may be provided to Franchisee from time to time. From time to time, Franchisor shall provide Franchisee a list of approved suppliers of furniture, fixtures, and equipment; supplies; software and hardware; credentialing; insurance; advertising and marketing materials and services; and other items or services necessary to operate the Franchised Business. The approved source of supply for any individual item may be Franchisor, an affiliate of Franchisor, or an independent third party. Franchisor, an affiliate, or an unrelated third party may be the sole source of supply for an item or service.

(1) Unless otherwise specified by Franchisor, Franchisee shall not be restricted from using sources of supply other than those previously approved by Franchisor, if the other sources supply items or services of substantially the same quality and specifications as those supplied by the approved suppliers.

(2) Franchisor reserves the right to require Franchisee to obtain the written approval of Franchisor prior to the use of any supplier not previously approved by Franchisor and, as a precondition to the granting of such approval, may require the proposed supplier to submit to Franchisor samples of products it proposes to provide to Franchisee for use in the Franchised Business and any other information Franchisor requires and require Franchisee to pay Franchisor its then-current vendor review fee (not to exceed $5,000 per request) plus reimburse Franchisor's actual expenses of reviewing the proposed supplier. In such event, Franchisor shall have six (6) months from its receipt of all such information to approve such supplier. Any supplier not approved in such time period shall be deemed disapproved.

(c) **Products and Services; Pricing**. Franchisee, and the Licensed Providers, shall be properly licensed or otherwise permitted by state law to provide the products and services offered through the Franchised Business, and Franchisee shall not offer or sell any products or services that have not been approved by Franchisor. Franchisee shall set its own pricing and rates for the products and services it offers in the Franchised Business; provided, however, Franchisee shall adhere to any minimum and maximum prices prescribed by Franchisor for services or products offered by Franchisee to the extent allowed by law.

(d) **Liability**. Franchisor shall not be liable to Franchisee for damages caused by the failure of Franchisor or an approved supplier to make available for purchase any item or service, unless the failure is the result of factors within Franchisor's reasonable control.

12 INFORMATION, REPORTS, INSPECTIONS, AND AUDITS

(a) **Books and Records; Financial Reports**. Franchisee shall maintain its books and records in the manner reasonably required by Franchisor. Franchisee shall provide Franchisor with such financial and sales information relating to the business of Franchisee as from time to time may be reasonably required by Franchisor. Franchisee shall provide to Franchisor such monthly and/or annual financial reports as Franchisor may specify. The financial and sales information shall be delivered to Franchisor, at the time, in the form and by the means of communication authorized by Franchisor. Franchisor may use such financial information in any manner and for any purpose it, in its sole and absolute judgment, deems appropriate. Franchisor has the right to share any such financial information and other information Franchisee provides to Franchisor with other Autism Care Therapy franchisees and to publicly disclose and include Franchisee's financial information in Franchisor's franchise disclosure document. Except for the foregoing rights, Franchisor will keep such financial information confidential, unless the information is: (1) requested by tax or government authorities or agencies; or (2) used as part of a legal proceeding. Franchisee, and if Franchisee is a limited liability company, corporation, or partnership, the owners of Franchisee, shall also submit to Franchisor, upon request, copies of their annual federal, state, and city income and sales tax returns, if any.

(b) **Audit Rights**. Franchisor shall have the right to audit or cause to be audited the sales reports and financial statements delivered to Franchisor, and the books, records, and sales and income tax returns of Franchisee, and if Franchisee is a limited liability company, corporation, or partnership, the owners of Franchisee, excluding any employment records. If any audit discloses that Franchisee has failed to pay to Franchisor any fees owed Franchisor (including as a result of an underreporting of Gross Sales in any period), Franchisee, within ten (10) days of receipt of the audit report, shall pay to Franchisor the fees and other amounts due Franchisor, plus late payment charges from the due date at the maximum rate permitted by law, not to exceed one and one-half percent (1.5%) per month. In addition, if the audit discloses the existence of any underpayment of any fees due to Franchisor (including as a result of an underreporting of Gross Sales in any period), Franchisee shall reimburse Franchisor for the cost of the audit, including the charges of any independent accountant and the travel expenses, lodging, and compensation of persons employed by Franchisor to make the audit.

(c) **Inspection Rights**. Franchisee shall permit Franchisor and its representatives, whenever Franchisor reasonably may deem necessary, during normal business hours, to enter, remain on, and inspect the Franchised Business.

(d) **Ownership of Information**. All information Franchisor obtains from Franchisee or about or related to the Franchised Business (collectively, the "Information"), and all revenues Franchisor derives from such Information, shall be Franchisor's property, excluding any employment records (which shall belong solely to and be the responsibility of Franchisee) and client records containing personal health information (which shall belong solely to and be the responsibility of Franchisee unless and until Franchisor takes custody pursuant to Section 19(d)(6)). Franchisee may use information that it acquires from third parties in operating the Franchised Business at any time during the Term of the Franchise to the extent lawful and at its sole risk and responsibility, but only in connection with operating the Franchised Business for the purposes hereunder. The Information (except for information Franchisee provides to Franchisor with respect to it and its affiliates) shall become the confidential information of Franchisor, which Franchisor may use for any reason it deems necessary or appropriate. Franchisee and Franchisor shall comply with all applicable laws pertaining to the privacy and security of personal information, including, without limitation, local, regional, and national requirements applicable to the Franchised Business.

13 INSURANCE

(a) **Type of Coverage**. At all times during the Term of the Franchise, Franchisee shall maintain in force, at its sole expense, on a primary and non-contributory basis, at a minimum, general liability insurance coverage, medical malpractice (also known as E&O or professional) liability coverage, umbrella liability insurance coverage, property insurance coverage and rental insurance, workers compensation and employers liability insurance coverage, employment practices liability insurance coverage, cyber liability/data privacy insurance coverage, and sexual and physical abuse or misconduct liability coverage; and such other types of insurance and all in such amounts as may be specified by Franchisor from time to time.

(1) The insurance coverage shall be maintained under one (1) or more policies of insurance containing the amounts and types of coverage from time to time prescribed by Franchisor and insured by insurance companies rated A or better by A.M. Best Company.

(2) All public liability and motor vehicle liability insurance policies shall name Franchisor as an additional insured and shall provide that Franchisor receive ten (10) days' prior written notice of termination, expiration, reduction, or cancellation of any such policy. All employment practices liability policies shall include joint employer co-defense language in favor of Franchisor.

(3) Franchisee shall submit to Franchisor, annually, a copy of the certificate of or other evidence of the renewal or extension of each such insurance policy.

Franchisor may require Franchisee to obtain some or all of these minimum required insurance coverages from Franchisor's approved vendor or through Franchisor's centralized/group insurance program for all franchisees, at Franchisee's cost.

(b) **Failure to Obtain**. If Franchisee at any time fails or refuses to maintain any insurance coverage required by Franchisor, or fails to furnish satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies hereunder, may obtain such insurance coverage on behalf of Franchisee, and any costs of premiums incurred by Franchisor in connection therewith shall be paid by Franchisee to Franchisor on demand plus an administrative fee equal to fifteen percent (15%) of the costs of such premiums incurred by Franchisor.

14 CONFIDENTIALITY AND IMPROVEMENTS BY FRANCHISEE

(a) **Maintenance of Confidence**. Franchisee acknowledges that all of the information it has now or obtains in the future concerning the System of Operation, including the Confidential Manual(s), and the concepts and methods of promotion franchised hereunder, is derived from Franchisor pursuant to this Agreement, and that such information will be treated in confidence and shall only be used for the purposes of operating a Franchised Business as set forth in this Agreement. Franchisee agrees never to, directly or indirectly, engage in or abet the misappropriation (as the term "misappropriation" is defined in the Illinois Trade Secrets Act), or the disclosure, divulgence, or distribution of all or any part of the System of Operation and the concepts and methods of promoting Franchises hereunder. For the avoidance of doubt, Franchisee may not use Confidential Information for the purpose of machine learning, augmented human intelligence development, training any artificial intelligence ("AI") model, algorithm improvement, or similar data aggregation activities without the express written consent of Franchisor. Such uses shall not be deemed related to the performance of this Agreement and are expressly prohibited. Franchisee shall not, without prior written consent by Franchisor, input any Confidential Information into any generative AI platform, or disclose such information to any provider or source of generative AI services. Franchisee shall opt out of allowing any provider or source of generative AI to utilize Confidential Information for training of any AI model or for other purposes.

(b) **Improvements**. If Franchisee, during the Term of the Franchise, conceives or develops any improvements or additions to or feedback or suggestions regarding the System of Operation, new trade names, trade and service marks and other commercial symbols related to the Franchised Business, or any advertising, promotion, or marketing ideas related to the Franchised Business ("Improvements"), Franchisee shall fully disclose the Improvements to Franchisor without disclosure of the Improvements to others and shall obtain Franchisor's written approval prior to the use of such Improvements. Any such Improvement approved by Franchisor may be used by Franchisor and all other franchisees of Franchisor without any liability to Franchisee or obligation to pay royalties or other compensation. Franchisee shall assign to Franchisor, and hereby does assign to Franchisor, without charge, all rights to such Improvements, together with the goodwill associated with the Improvements, including the right to grant sublicenses to any such Improvements. Franchisor, at its discretion, may make application for and own copyrights, trade names, trademarks, and service marks relating to any such Improvements. Franchisor also may consider such Improvements as the property and trade secrets of Franchisor. Franchisor shall authorize Franchisee to utilize any Improvement authorized generally for use by other franchisees.

15 RESTRICTIVE COVENANTS

(a) **Covenants**. Franchisee acknowledges Franchisor must be protected against the potential for unfair competition by Franchisee's use of Franchisor's training, assistance and trade secrets in direct competition with Franchisor. Franchisee therefore agrees that it shall not:

(1) During the Term of the Franchise, either directly or indirectly: (a) operate, own, manage, be employed by or consult with, finance, or lease or sublease any premises to, any Competitive Business other than one operated under a valid franchise agreement with

Franchisor, or any business or venture that is granting franchises or licenses for the operation of a Competitive Business; or (b) except in the professional and medical judgment of Franchisee, divert or attempt to divert any client or potential client to any competitor of Franchisor, or a competitor of a franchisee or of an affiliate of Franchisor.

(2) For a period of two (2) years following the expiration, termination, or assignment of this Agreement, either directly or indirectly, operate, own, manage, be employed by or consult with, finance, or lease or sublease any premises to, any Competitive Business, other than one operated under a valid franchise agreement with Franchisor, or any business or venture that is granting franchises or licenses for the operation of a Competitive Business, that is located or doing business in the Restricted Area. In the event of the violation of this Section 15(a)(2) by Franchisee following expiration, termination, or assignment of this Agreement, the period of time Franchisee shall be required to abide by the breached obligation shall be extended to a period of two (2) years after Franchisee is no longer in breach of such obligation.

(b) **Franchisee Acknowledgments**. Franchisee agrees that the restrictions contained in this Section 15 are reasonable and necessary to protect the interests of Franchisor and other franchisees of Franchisor. Franchisee further acknowledges that because of the narrow scope of the limitations, the foregoing restrictions do not unduly restrict Franchisee's ability to engage in gainful employment. If Franchisee violates these restrictions, then in addition to damages incurred by Franchisor for which Franchisee shall be liable, Franchisor shall be entitled to injunctive relief to prevent the continuation of such breach.

16 ASSIGNMENT

(a) **By Franchisor**. This Agreement is fully assignable by Franchisor without the consent of or prior notice to Franchisee, and shall inure to the benefit of any assignee or other legal successor in interest of Franchisor.

(b) **General Prohibition on Franchisee Assignment**. No Franchisee, partner (if Franchisee is a partnership), shareholder (if Franchisee is a corporation), or member (if Franchisee is a limited liability company), without the prior written consent of Franchisor, by operation of law or otherwise, shall sell, assign, transfer, convey, give away, lease, have redeemed, or encumber to any person, trust, firm, corporation, partnership, or company, its interest in this Agreement or its interest in the Franchise granted hereby or its interest in any proprietorship, partnership, corporation, or limited liability company which, directly or indirectly, owns any interest in the franchise, or its interest in the Franchised Business, or the assets of the Franchised Business. Any purported assignment not having the necessary consent shall be null and void and shall constitute a material default hereunder.

(c) **Conditions to Franchisee Assignment**. Franchisor shall not unreasonably withhold its consent to any assignment provided the following conditions and requirements shall first be satisfied:

(1) If Franchisee desires to assign or transfer all of its rights to a partnership, corporation, or limited liability company controlled by Franchisee:

(a) the transferee shall be newly organized and its charter shall provide that its activities are confined exclusively to operating the Franchised Business;

(b) subject to state law and any corporate practice of medicine structure approved by Franchisor, the transferee shall be properly licensed to provide the products and services offered through the Franchised Business;

(c) Franchisee shall be and shall remain the principal executive officer of the transferee;

(d) Franchisee shall be and shall remain in control of the transferee and shall be and shall remain the owner of not less than fifty one percent (51%) of the issued and outstanding voting stock or membership interests of the transferee corporation or limited liability company or, in the case of a partnership, of fifty one percent (51%) of the voting control of the transferee partnership (or such higher ownership amounts as required by state law);

(e) each stock or membership certificate of the transferee corporation or limited liability company, or the partnership agreement of the transferee partnership, shall have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer of any interest therein is subject to, all restrictions imposed upon assignments by this Agreement;

(f) no new voting interest in the transferee shall be issued to any person or entity without obtaining Franchisor's prior written consent;

(g) the transferee shall enter into a written agreement with Franchisee and Franchisor, in a form satisfactory to Franchisor, assuming all of Franchisee's obligations hereunder and Franchisee and the transferee shall execute a general release in a form satisfactory to Franchisor;

(h) all the partners, shareholders, or members of the transferee shall enter into a written agreement in a form satisfactory to Franchisor jointly and severally guaranteeing the full payment and performance of the transferee's obligations to Franchisor and agreeing to be personally bound by all covenants and restrictions imposed upon the transferee under this Agreement;

(i) all accrued money obligations of Franchisee to Franchisor and its subsidiaries, affiliates, and assigns shall be satisfied prior to assignment or transfer; and

(j) Franchisee shall pay Franchisor a transfer fee of One Thousand Dollars ($1,000).

(2) If an assignment (other than an assignment as set forth in Section 16(c)(1)), alone or together with other previous, simultaneous, or proposed transfers, would have the effect of transferring control of the Franchise created hereby or the Franchised Business:

(a) the transferee shall meet Franchisor's then-current standards for the issuance of a Franchise, be of good moral character and reputation, be properly licensed and in good standing with the state in which the Franchised Business is located, and shall have a good credit rating, financial capabilities, and competent business qualifications reasonably acceptable to Franchisor. Franchisee shall provide Franchisor with the information it may reasonably require to make a determination concerning each proposed transferee;

(b) the transferee, including all shareholders, members, and partners of the transferee, shall jointly and severally execute a new franchise agreement with Franchisor, on the terms then offered by Franchisor to new franchisees, for the remaining term of this Agreement, except that all pre-opening obligations of the parties, other than the transferee's obligation to complete the Initial Training

Program to Franchisor's satisfaction and the payment of the then-current initial franchise fee required by Franchisor from new franchisees, shall be waived;

(c) the purchase price paid by the transferee for the Franchised Business shall be reasonable, excluding any goodwill of the Franchised Business;

(d) if the transferee is a corporation, limited liability company, or partnership, each stock or membership certificate, or the partnership agreement, shall have conspicuously endorsed upon it a statement that it is held subject to, and further assignment or transfer of any interest therein is subject to, all restrictions imposed upon assignments by this Agreement;

(e) if the transferee is a corporation, partnership, or limited liability company, no new voting interest in the transferee shall be issued to any person or entity without obtaining Franchisor's prior written consent;

(f) Franchisee shall have fully paid and satisfied all of Franchisee's obligations to Franchisor and its affiliates, and: (1) if the transferee does not own any other Autism Care Therapy business, Franchisee shall pay to Franchisor a transfer fee equal to the greater of fifty percent (50%) of the then-current (at time of transfer) non-discounted initial franchise fee for a first franchise required by Franchisor for an Autism Care Therapy franchise or Thirty Two Thousand Five Hundred Dollars ($32,500) (with Five Thousand Dollars ($5,000) of the Transfer Fee due as a non-refundable deposit when Franchisee submits the transfer for Franchisor's approval and the balance due upon approval of the transfer, if approved); or (2) if the transferee does own another Autism Care Therapy business, Franchisee shall pay to Franchisor a transfer fee equal to the greater of twenty five percent (25%) of the then-current (at time of transfer) non-discounted initial franchise fee for a first franchise required by Franchisor for an Autism Care Therapy franchise or Sixteen Thousand Two Hundred Fifty Dollars ($16,250) (with Two Thousand Dollars ($2,000) of the Transfer Fee due as a non-refundable deposit when Franchisee submits the transfer for Franchisor's approval and the balance due upon approval of the transfer, if approved);

(g) Franchisee shall have executed an agreement in form satisfactory to Franchisor in which it agrees to: (a) release any claims it has against Franchisor and its affiliates; (b) subordinate any claims it may have against the transferee to any amounts owed by the transferee to Franchisor; and (c) comply with the post-term obligations set forth herein, including the non-competition and confidentiality provisions;

(h) if the transferee is a corporation, limited liability company, or partnership, all the shareholders, members, or partners of the transferee shall enter into a written agreement, in a form satisfactory to Franchisor, jointly and severally guaranteeing the full payment and performance of the transferee's obligations to Franchisor and agreeing to be personally bound by all covenants and restrictions imposed upon the transferee under the terms of this Agreement; and

(i) if the assignment or transfer is caused by the death or incapacity of Franchisee (or in the case of a partnership, corporation, or limited liability company, by the death or incapacity of one controlling more than forty-nine percent (49%) of the voting interest of Franchisee), the provisions of this Section 16(c)(2) must be met with regard to the heir or personal representative of Franchisee succeeding to Franchisee's interest hereunder; provided, however, if the heir or personal representative assigns, transfers, or sells its interest in the Franchise within one hundred twenty (120) days after the death or incapacity of Franchisee, the person to whom the interest is assigned, transferred, or sold, and not Franchisee's heir or personal representative, must comply with the provisions of this Section 16(c)(2) as transferee.

(d) **Resale Assistance Fee**. Upon Franchisee's request, Franchisor may, but has no obligation to, refer to Franchisee potential buyers of the Franchise or Franchised Business. If Franchisor refers to Franchisee the buyer of the Franchise, the Franchised Business, or the assets of the Franchised Business, or a majority or controlling ownership interest in Franchisee, the Franchise, the Franchised Business, or the Franchise Agreement, then Franchisee must pay Franchisor a resale assistance fee of Twenty Thousand Dollars ($20,000) at the time of the closing the sale (regardless of whether the buyer is an existing Autism Care Therapy franchisee or not), in addition to the applicable transfer fee.

(e) **Disclosure**. Franchisee consents to Franchisor releasing to any proposed transferee any information concerning the Franchised Business which Franchisee has reported to Franchisor.

(f) **No Single or Partial Transfer**. Notwithstanding anything set forth herein to the contrary, Franchisee may not transfer a portion of its rights or obligations hereunder or a portion of the Franchised Business (including any professional group affiliated with the Franchised Business) without Franchisor's approval and the satisfaction of the conditions set forth in Section 16(c)(2) as Franchisor may require.

17 RIGHT OF FIRST REFUSAL

(a) If, at any time during the Term of the Franchise, Franchisee receives a bona fide offer to purchase or lease the Franchised Business, including the property upon which the Franchised Business is located, or any owner of Franchisee receives an offer to purchase any interest in Franchisee, either directly or indirectly, which offer Franchisee or such owner is willing to accept, Franchisee shall communicate in writing to Franchisor the full terms of the offer and the name of the offeror, and Franchisee shall provide to Franchisor any and all information, documents, or agreements reasonably requested by Franchisor, including the executed purchase or lease agreement and past financial statements of Franchisee or related to the Franchised Business, as prepared by an independent accountant. Franchisor may elect to purchase or lease the business, the property, or the interest, as applicable, on the terms set forth in the offer. If Franchisor elects to exercise such option, it shall give Franchisee written notice of the election within thirty (30) days after Franchisor receives Franchisee's complete and accurate communication of the offer (including all information, documents, or agreements requested by Franchisor). If Franchisor fails to give written notice of election within thirty (30) days, Franchisee or the owner, as the case may be, may sell or lease to the offeror on the terms offered, subject to Section 16. The sale or lease must, however, be completed within sixty (60) days of the termination of the thirty (30) day period during which Franchisor may give written notice of election to purchase or lease; otherwise, an additional notice must be given to Franchisor and an additional option period must expire prior to any such transfer. If Franchisor elects to exercise its rights hereunder, it shall have the right to substitute equivalent cash for any noncash consideration included in the bona fide offer and Franchisor and Franchisee or Franchisee's owner, as the case maybe, will use their best efforts to complete the transaction within sixty (60) days from the date of Franchisor's notice of election to exercise its rights hereunder.

(b) Franchisor may assign, transfer, or sell its rights under this Section 17 to any third party, including to another franchisee of Franchisor.

18 PRE-TERMINATION OPTIONS OF FRANCHISOR

(a) **Rights in Addition to Termination**. Prior to the termination of this Agreement, if Franchisee fails to pay any amounts owed to Franchisor or its affiliates (whether under this Agreement or otherwise) or fails to comply with any term of this Agreement, then in addition to any right Franchisor may have to terminate this Agreement or to bring a claim for damages, Franchisor shall have the option to:

(1) Prohibit Franchisee from attending any conventions, meetings or seminars held or sponsored by Franchisor or taking place on the premises of Franchisor;

(2) Remove any listing of the Franchised Business from any advertising and Franchisor-Identified Social Media Presence; and

(3) Suspend the provision of any or all of the services provided by or through Franchisor to Franchisee.

(b) **Continuation of Franchisor Options**. Franchisor's actions, as provided in this Section 18, may continue until Franchisee has brought its accounts current, cured any default, and complied with Franchisor's requirements, and Franchisor has acknowledged the same in writing. Franchisee acknowledges and agrees that the taking by Franchisor of any of these actions shall not deprive Franchisee of a substantial portion of the benefits provided to it under this Agreement and therefore the taking of any of the actions permitted in this Section 18 shall not suspend or release Franchisee from any obligation that would otherwise be owed to Franchisor or its affiliates under the terms of this Agreement, or otherwise, nor shall Franchisee assert that the taking of any such actions shall act as an actual or constructive termination of this Agreement.

19 TERMINATION

(a) **By Franchisor**. In addition to Franchisor's other termination rights in this Agreement, Franchisor may terminate this Agreement effective immediately upon receipt by Franchisee of notice of termination, if Franchisee:

(1) Loses the right to occupy the Franchised Business's premises;

(2) Voluntarily abandons the Franchise relationship;

(3) Is convicted in a court of competent jurisdiction of an offense directly related to the Franchised Business, including any offense that indicates unsuitability for the provision of services to minors;

(4) Or any of its Licensed Providers are suspended, disciplined, or reprimanded by any governmental agency or licensing board pursuant to a final judgment, hearing, order, or ruling and Franchisee fails to terminate such Licensed Provider or otherwise fails to cure such default to Franchisor's satisfaction within ten (10) days after notice to Franchisee;

(5) Does not have a full-time supervising BCBA for the Franchised Business for a period of forty five (45) days;

(6) Fails to comply with any federal, state, or local law or regulation applicable to the operation of the Franchised Business, including those laws or regulations governing minors, health, practice of medicine, licensing, permitting, safety, and/or sanitation, the Health Insurance Portability and Accountability Act of 1996, or HIPAA, the Health Information for Economic and Clinical Health Act, or HITECH, anti-kickback laws (including the Federal Medicare Anti-Kickback law and state Medicaid laws concerning reimbursement for services for those who participate in Medicaid), prohibitions on fee splitting and self-referral restrictions (including the federal "Stark Law" and similar state laws), payment systems for medical benefits available to individuals through private insurance and government resources (including Medicare and Medicaid), and the Americans With Disabilities Act;

(7) Fails to cure a default under this Agreement which materially impairs the goodwill associated with the Names and Marks after Franchisee has received written notice to cure at least twenty four (24) hours in advance of the notice of termination;

(8) Submits to Franchisor two (2) or more sales reports, financial statements, other information or supporting records in any period of twelve (12) consecutive months, which materially distorts any other material information, including reports of Gross Sales;

(9) Fails to submit when due sales reports or financial statements to Franchisor, including reports of Gross Sales, or withholds Franchisor's access to accounting and financial systems or data, revokes any electronic-funds transfer or direct debt authorization granted to Franchisor, or initiates any stop payments against Franchisor;

(10) Fails to pay when due any fees or other payments due to Franchisor and such failure continues for ten (10) days after notice to Franchisee;

(11) Consistently fails to remit when due payments to suppliers or other creditors of the Franchised Business, and such failure continues for ten (10) days after notice to Franchisee;

(12) Makes an assignment for the benefit of creditors or an admission of its inability to pay its obligations as they become due;

(13) Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution, or similar relief under any law, admits or fails to contest the material allegations of any such pleading filed against it, or is adjudicated bankrupt or insolvent;

(14) Makes an unauthorized assignment or transfer of this Agreement, the Franchised Business, or the Franchise;

(15) Has made material misrepresentations on its application for the Franchise; or

(16) Otherwise materially breaches this Agreement or fails to comply with any provision of this Agreement or any specification, standard, or operating procedure prescribed by Franchisor and does not correct such failure within thirty (30) days after notice to Franchisee.

(b) **By Franchisee**. Franchisee may terminate this Agreement and the Franchise granted hereunder effective ten (10) days after delivery to Franchisor of notice of termination, if Franchisee is in compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure the breach within thirty (30) days after written notice of the breach is delivered to Franchisor.

(c) **Compliance with Applicable Law**. The foregoing notwithstanding, to the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, non-renewal, or the like other than in accordance with applicable law, such provisions shall, to the extent such are not in accordance with applicable law, be superseded by said law, and Franchisor shall comply with applicable law in connection with each of these matters.

(d) **Actions Upon Expiration or Termination**. Franchisee agrees, upon expiration, termination, or assignment of the Franchise:

(1) To immediately return to Franchisor all copies of all Confidential Manual(s) that have been loaned to it by Franchisor and any material marked as property of Franchisor or as confidential;

(2) To immediately pay to Franchisor such all fees and other charges as have or will thereafter become due hereunder and are then unpaid including amounts due for printed materials, forms, advertising material, supplies, products, and services supplied by Franchisor;

(3) To immediately take such action as may be required to properly cancel all assumed name or equivalent registrations relating to the use of the Names and Marks, and notify the telephone company, any domain name registrar, any Internet service provider, and all listing agencies of the expiration or termination of Franchisee's right to use any domain names, profiles, accounts, user names, telephone numbers, and classified and other directory listings associated with any Franchisor-Identified Social Media Presence, or that include any portion of the Names and Marks, and authorize the telephone company, domain name registrars, Internet service providers, and listing agencies to transfer to Franchisor all such telephone numbers, registrations, profiles, accounts, and directory listings, along with access thereto. Franchisee acknowledges that, as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all telephone numbers, directory listings, domain names profiles, user names, and accounts associated with the Names and Marks, or any word, phrase or symbol confusingly similar to any of the Names and Marks, including any Franchisor-Identified Social Media Presence, as well as any content thereon. Franchisee authorizes Franchisor, and appoints Franchisor its attorney-in-fact, to direct the telephone company, domain name registrars, internet service providers, and all listing agencies to transfer telephone numbers, domain names, accounts and listings to Franchisor, as well as provide access to Franchisor to any such account or registration;

(4) To not indicate directly or indirectly, in any manner, that it is or ever was affiliated with Franchisor in any capacity, identify itself or any business as a member of Franchisor's system, or as otherwise associated with Franchisor, or use, in any manner or for any purpose, any of the System of Operation, concepts, and methods of promotion, or Names and Marks, or any other indicia of a business operated under the Names and Marks;

(5) To immediately cause all signs using the Names and Marks to be removed. If Franchisee fails to remove such signage, Franchisor shall be entitled to remove and destroy the signage, without prior notice to Franchisee, and Franchisee shall be obligated to reimburse Franchisor for all costs associated with such removal and destruction; and

(6) To immediately take such action, at Franchisee's expense, as may be required to transfer all client records to an appropriate third-party custodian to protect, maintain, and provide access to the client records, pursuant to applicable state and federal law (a "Records Custodian"), which Records Custodian must be pre-approved by Franchisor prior to appointment. Franchisee shall notify Franchisor within ten (10) days of termination or expiration of this Agreement of the name, address, and contact information for an approved Records Custodian and provide Franchisor a copy of Franchisee's contract with such Records Custodian; provided, however, that if Franchisee terminates this Agreement pursuant to Section 19(b), Franchisee shall include in such notice of termination to Franchisor the name, address, and contact information for the approved Records Custodian and include a copy of Franchisee's contract with such Records Custodian. If Franchisee does not provide evidence to Franchisor of a Records Custodian, in Franchisor's sole discretion, or fails to arrange for a Records Custodian within ten (10) days of termination or expiration of this Agreement, Franchisor or its designee shall be entitled, but not required, to serve as Records Custodian and Franchisee shall be obligated to reimburse Franchisor for all costs associated therewith. By entering into this Agreement,

Franchisee authorizes Franchisor, and appoints Franchisor as attorney-in-fact, to take custody of Franchisee client records at termination or expiration of this Agreement and maintain them in accordance with applicable law and Franchisee shall execute such agreements, documents, or other instruments as Franchisor may reasonably require to effect the same.

(e) **Option to Purchase**. Upon the expiration or termination of the Term of the Franchise, Franchisor shall have the first option, exercisable for sixty (60) days, to purchase from Franchisee at fair market value (excluding any goodwill associated thereto) any or all of the approved inventory, furniture, fixtures, and equipment, supplies, signs, and branded items owned by Franchisee and used in the operation of the Franchised Business. If Franchisor and Franchisee cannot agree on the fair market value of any such item, such items shall be valued by an independent business appraiser appointed by Franchisor, at Franchisor's sole cost, who shall determine the fair market value of such items excluding any goodwill associated thereto. Franchisor may assign, transfer, or sell its rights under this Section 19(e) to any third party, including to another franchisee of Franchisor.

(f) **Liquidated Damages**. If any of the post-termination obligations (including non-competition or confidentiality obligations) are held unenforceable for any reason or reduced or restricted for any reason in Franchisor's reasonable business judgment, Franchisor may, in addition to any other remedies available to it under this Agreement or applicable law or equity, require that Franchisee pay Franchisor as liquidated damages and not as a penalty, an amount equal to the average monthly amount of System Fees and Brand Fund Contributions due and payable by Franchisee during the twelve (12) months prior to the expiration or termination of the Term of the Franchise (or if Franchisee has not been in operation for at least twelve (12) months as of the date of expiration or termination, then based on the average monthly amount of System Fees and Brand Fund Contributions of all Autism Care Therapy businesses during the twelve (12) month period immediately before the expiration or termination date of this Agreement) multiplied by the number of months then remaining in the Term of the Franchise.

(g) **Survival of Provisions**. All obligations of Franchisor and Franchisee that expressly or by their nature survive the termination, expiration, or assignment of the Franchise, including the post-termination rights and obligations, non-competition, confidentiality, indemnification, and enforcement and dispute resolution provisions herein, shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement until they are satisfied in full or by their nature expire.

(h) **Communication with Third Parties**. After Franchisor provides Franchisee with notice of any default hereunder, Franchisor can notify any third parties, including any landlords, lenders, and clients, of the default and communicate with such third parties regarding Franchisee and the Franchised Business.

20 ENFORCEMENT

(a) **Injunctive Relief; Attorneys' Fees**. Either party may apply for injunctive or other equitable relief to: (1) enforce its right to terminate this Agreement for the causes in Section 19; and (2) prevent or remedy a breach of this Agreement if such breach could materially impair the goodwill of such party's business, including to enforce the obligations of a party to be performed following the expiration or termination of this Agreement and enforcement of the non-competition and confidentiality provisions of this Agreement. Each party shall be entitled to the entry of temporary restraining orders and temporary and permanent injunctions enforcing its aforementioned rights. If Franchisor secures any such injunction, or any other relief against Franchisee, or is successful in defending a claim brought against it by Franchisee, Franchisee shall pay Franchisor an amount equal to the aggregate of Franchisor's costs of obtaining such relief and defending such claim, including reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses.

(b) **Mediation**. Except with respect to matters for which a party believes it necessary to seek injunctive or equitable relief, Franchisee and Franchisor shall be required to enter into mediation of all disputes involving this Agreement, or any other aspect of the relationship between them, for a minimum of four (4) hours, prior to the initiation of any arbitration or other action or proceeding against the other.

(1) Upon written notice by either party to the other of the initiating party's desire to mediate, the party receiving the notice shall select an independent entity that regularly provides mediation services to franchisors and franchisees to serve as mediator in the proceeding. If the party receiving the notice of intent to mediate does not provide the name of such an organization within ten (10) business days from the date the notice of intention to mediate is received, then the other party may forego mediation of the issue(s) and commence an arbitration hearing or, at its option, make the selection of the organization to provide mediation services. If one party selects an organization that is unwilling to serve as mediator or does not meet the requirements of this Section 20(b)(1), then the other party may select the organization. Once the organization is designated and agrees to accept appointment as mediator, the organization shall be directed to schedule a mediation proceeding at a time mutually convenient to Franchisor and Franchisee. The mediation shall be held within thirty (30) days following receipt by the mediation organization of notification that its services are requested. If the parties cannot agree on a date for mediation, then the mediation organization shall select a date it believes is reasonable for the parties, given all of the alleged conflicts in dates. The actual mediator shall be a person who has had at least ten (10) years of experience as either franchisee or franchisor (or as an officer of such an entity), or in franchise law.

(2) The parties shall equally share the cost of the mediator. The mediator shall select the location for the mediation, giving due consideration to the location that will minimize the total expenses of the mediation; provided, however, that unless agreed to by both Franchisor and Franchisee, the mediation shall be held in a metropolitan area having a population of at least two hundred fifty thousand (250,000) persons that is not located within two hundred (200) miles of the Franchised Business or the principal office of Franchisor.

(3) Except with respect to matters for which a party is permitted to seek injunctive or equitable relief, if either party initiates arbitration or litigation without complying with their obligation to mediate in accordance with this Section 20(b) (unless the other party has failed to respond on a timely basis or has indicated it will not engage in mediation in accordance with the provisions of this Section 20(b)), then upon petition of any party named as a defendant in such arbitration or litigation, the court shall dismiss the action without prejudice, and award attorneys' fees and costs to the party seeking dismissal in an amount equal to such party's attorneys' fees and costs incurred in seeking dismissal. If the court refuses for any reason to dismiss the action, then regardless of the outcome of such action, or of any award given by the court in such action, the party initiating the action shall be responsible for all attorneys' fees and costs incurred throughout the action by the other party as damages for failing to comply with the provisions of this Section 20(b).

(c) **Arbitration**. Except insofar as either party elects to enforce this Agreement by judicial process and injunction as hereinabove provided, all disputes and claims arising out of or relating to the offer or sale of the Franchise, this Agreement or any provision hereof, or to any specification, standard, or operating procedure, of Franchisor or to the breach thereof (including any claim that this Agreement, any provision thereof, any specification, standard, or operating procedure or any other obligation of Franchisee or Franchisor is illegal, unenforceable, or voidable under any law, ordinance, or ruling) shall be settled by arbitration at the office of the American Arbitration Association located in Chicago, Illinois, in accordance with the United States Arbitration Act (9 U.S.C. § 1 et seq.), if applicable, and the rules of the American Arbitration Association (relating to the arbitration of disputes arising under franchise license agreements, if any, otherwise, the general rules of commercial arbitration).

(1) Any arbitrator appointed to arbitrate a dispute under this Agreement shall have at least ten (10) years' experience in franchise matters and shall have the right to award or include in any award the specific performance of this Agreement.

(2) The arbitrator will be instructed that they must follow the substantive law and the other requirements, waivers, and limitations of this Agreement. The arbitrator shall have no authority to add, delete, or modify in any manner, the terms and provisions of this Agreement. All findings, judgments, decisions, and awards of the arbitrator will be limited to the dispute or controversy set forth in the written demand for arbitration and response to that demand. The arbitrator may not award any relief that was not specifically requested by the parties prior to the start of the arbitration hearing. The arbitrator shall file a reasoned brief with his or her award.

(3) If there is any dispute as to whether a particular claim or matter is subject to arbitration, and the matter relates to an issue for which either party seeks an injunction in accordance with Section 20(a), the arbitrability of such claim shall be determined by the court that would otherwise hear the motion to issue the injunction. In the case of a dispute as to the arbitrability of any other claim brought by either party against the other, the decision as to whether or not the claim is subject to arbitration shall be made by the arbitrator appointed in accordance with this Agreement.

(4) Any award from the arbitrator may be appealed under the Optional Rules of the American Arbitration Association. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof. The award shall be binding, final, and nonappealable except as permitted under the United States Arbitration Act or for failure of the arbitrator to meet the requirements of this Section 20(c). Unless this Agreement is terminated in accordance with the provisions of Section 19, during the pendency of the arbitration proceeding, Franchisee and Franchisor shall fully perform this Agreement.

(5) If, after Franchisor or Franchisee institutes an arbitration proceeding, one or the other asserts a claim, counterclaim, or defense, the subject matter of which, under statute or current judicial decision is nonarbitrable for public policy reasons, the party against whom the claim, counterclaim, or defense is asserted may elect to proceed with the arbitration of all arbitrable claims, counterclaims, or defenses or to proceed to litigate all claims, counterclaims, or defenses in a court having competent jurisdiction.

(6) All arbitration proceedings will be individual proceedings between Franchisor and Franchisee, and will not be conducted on a "class basis," or include any of Franchisor's other franchisees as named parties unless Franchisor and Franchisee each agree.

(d) **Venue**. Franchisor and Franchisee (and Franchisee's owners and guarantors) each agree that if litigation is commenced, the sole forum for resolving disputes under this Agreement or any aspect of the relationship between the parties shall be the state and federal courts of Illinois. Such actions shall be exclusively venued in the Circuit Court of Cook County, Illinois, or the United States District Court for the Northern District of Illinois, and the parties waive any objections they may have to either the jurisdiction or the venue in such courts and hereby consent to personal jurisdiction and venue in such courts. The only exception to the foregoing shall be: (1) if the courts of Illinois would have no jurisdiction over a named party in the litigation, and such party's involvement in the litigation is integral to the underlying claims and not principally for the purpose of circumventing the intent of the parties to name Illinois as the exclusive venue for any actions, then the action may be venued in any court having jurisdiction over all the parties and a significant nexus to the parties; and (2) to the extent that either party believes it is necessary to seek injunctive relief against the other, the party seeking relief may initiate that action in the county in which the other party has its principal office (which in the case of an action against Franchisee, shall be the county in which Franchisee is domiciled, or the county in which the Franchised Business is located).

(e) **Costs**. If Franchisor secures any injunction against Franchisee, or any other relief by arbitration or otherwise against Franchisee, or is successful in defending a claim brought against it by Franchisee in an arbitration or otherwise, Franchisee shall pay Franchisor an amount equal to the aggregate of Franchisor's costs of obtaining such relief and defending such claim, including reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses.

(f) **Waiver of Certain Damages**. Franchisor and Franchisee (and Franchisee's owners and guarantors) hereby waive, to the fullest extent permitted by law, any right to, or claim for, any punitive, consequential, special, or exemplary damages against the other and any affiliates, owners, employees, or agents of the other and agree that in the event of a dispute between or among any of them, each shall be limited to the recovery of any actual damages sustained by it and any equitable relief to which it might be entitled.

(g) **Waiver of Collateral Estoppel**. The parties agree they should each be able to settle, mediate, arbitrate, litigate, or compromise disputes in which they are involved with third parties, without having the disposition of such disputes directly affect the contract or relationship between Franchisor and Franchisee. Franchisor and Franchisee therefore each agree that a decision of an arbitrator or court of law in a dispute to which one of them is not a party shall not in any manner prevent the person that was a party to such action from making similar arguments, or taking similar positions, in any subsequent action between Franchisor and Franchisee. The parties therefore waive the right to assert that principles of collateral estoppel prevent either of them from raising any claim or defense in an action between them as a result of such party having lost a similar claim or defense in another action.

(h) **Remedies Cumulative**. All remedies provided to Franchisor under this Agreement are cumulative. No exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder or which Franchisor or Franchisee is entitled by law to enforce.

21 INDEPENDENT CONTRACTORS; INDEMNIFICATION

(a) **Independent Contractor; Evidence of Relationship**. Franchisee is a franchisee of Franchisor. Franchisee shall be conspicuously identified in all dealings with clients, prospective clients, and others, as a franchisee. Franchisee shall not represent or imply to any person that this Agreement authorizes Franchisee to act as agent for Franchisor.

(1) Without limiting the foregoing, Franchisee and its employees shall hold themselves out to the public as an independent contractor by, without limitation: (a) clearly identifying itself in all dealings with third parties as a franchised, independently owned and operated entity, including on all public records, checks, stationery, enrollment forms, receipts, marketing materials, envelopes, letterhead, business cards, employment applications or other employment documents, invoices, and other communications, electronic or otherwise; (b) displaying a sign in the lobby area of the Franchised Business so as to be clearly visible to the general public indicating that the Franchised Business is independently owned and operated as a franchised business; and (c) maintaining a notice on the employee bulletin board clearly visible to employees at the Franchised Business, identifying the correct name of their employer and clearly stating that neither Franchisor nor any of its affiliates is the employer and if required by Franchisor, obtaining from each of its employees an acknowledgment acknowledging that their employer is Franchisee and not Franchisor.

(2) Neither Franchisor nor Franchisee shall be obligated by any agreement, representation, or warranty made by the other, nor shall Franchisor be obligated for damages to any person or property directly or indirectly arising out of the operation of the Franchised Business, or caused by Franchisee's negligence, willful action, or failure to act.

(b) **Franchisee Indemnification**. Franchisee agrees to indemnify Franchisor against, and to reimburse Franchisor for, all obligations and damages for which Franchisor is liable, except for liabilities caused by Franchisor's acts or omissions amounting to gross negligence, willful misconduct, strict liability, or fraud, and for all costs reasonably incurred by Franchisor in the defense of any such claim brought against it, or in any such action in which it is named as a party, arising out of any act or omission of Franchisee, its personnel or contractors, or as a result of any activities occurring at, by, or through the Franchised Business, including the Franchised Business, it's operation, design, or construction, or otherwise, the exercise of medical judgment or care, the sale or provision of any products or services, the hiring of any counselors, therapists, or prescribers or other employees or contractors, licensing, permitting, and certification, and any advertising conducted by Franchisee. Such indemnification shall include reasonable attorneys' fees, costs of investigation or proof of facts, court costs, other litigation expenses, and travel and living expenses (collectively, "Costs"). Franchisor shall have the right to defend any such claim against it.

(c) **Franchisor Indemnification**. Franchisor agrees to indemnify Franchisee against, and to reimburse Franchisee for, any third party trademark infringement claims that are brought against Franchisee that arise solely out of Franchisee's authorized use of the Names and Marks in the manner prescribed by this Agreement and the Confidential Manual(s), provided that Franchisee promptly notifies Franchisor of any such action or proceeding against Franchisee (within three (3) days). Franchisor shall have the right to participate in and to control any litigation or proceeding which might result in liability of or expense to Franchisee subject to indemnification by Franchisor.

22 FRANCHISEE REPRESENTATIONS

To induce Franchisor to accept Franchisee's application for a Franchise and to execute this Agreement, Franchisee hereby represents and warrants to Franchisor as follows:

(a) **Standards for Service**. Franchisee recognizes and acknowledges the importance of maintaining Franchisor's standards for service, and further recognizes and acknowledges the importance of following the System of Operation.

(b) **Disclosure Document**. Franchisee has received a copy of Franchisor's Franchise Disclosure Document, together with copies of all contracts relating to the sale of the Franchise, at least fourteen (14) days prior to the execution of this Agreement and at least fourteen (14) days prior to its payment of any money to Franchisor. Franchisee has read and understands all such documents.

(c) **Business Risks**. Franchisee has the entire control and direction of the Franchised Business, subject only to the conditions and covenants established by this Agreement. Franchisee further acknowledges that the business to be operated under this Agreement involves business risks, and that Franchisee's success shall be largely determined by its own skill and efforts as an independent business person. Franchisee further acknowledges that if it fails at any tasks that are vital to the operation of the Franchised Business, the Franchised Business may fail and Franchisee shall be solely responsible for any such failure.

(d) **Franchisee Advisors; Independent Investigation**. Franchisee has been advised to consult with its own advisors with respect to the legal, financial, and other aspects of this Agreement, and that Franchisee has had the opportunity to consult with such advisors and also has had the opportunity to independently investigate the opportunity offered under this Agreement. Franchisee has entered into this Agreement after making an independent investigation of Franchisor's operations.

23 MISCELLANEOUS

(a) **Business Judgment**. Except as otherwise expressly stated in this agreement, any consent or approval required to be obtained from Franchisor, or decision to be made by Franchisor, may be granted or made by Franchisor in its sole and exclusive business judgment, which may take into account Franchisor's assessment of, among other things, the long-term interests of Franchisor, the System of Operation and the Names and Marks. Franchisor's judgment shall prevail even in cases where other alternatives may be reasonable, so long as Franchisor is intending to benefit or is acting in a way that could benefit the System of Operation, enhance the value of the Names and Marks, increase customer satisfaction, or minimize possible consumer, brand, or location confusion.

(b) **Governing Law**. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 et seq.), as amended, this Agreement shall be governed by the laws of the State of Illinois. The parties agree, however, that if Franchisee is not a resident of Illinois, or if the Franchised Business is not located in Illinois, then they hereby waive the provisions of the Illinois Franchise Disclosure Act of 1987 and the regulations promulgated thereunder. If the Illinois Franchise Disclosure Act of 1987 does not apply to the Franchise relationship created hereby, but there is a statute in the state in which the Franchised Business is situated that specifically governs relationships between franchisees and franchisors and that law would otherwise apply, then that particular law shall apply in lieu of the laws of the State of Illinois.

(c) **Binding Effect**. This Agreement is binding upon the parties hereto, their respective heirs, assigns, and successors in interest.

(d) **Headings; Franchisee References; Liability**. The section headings are for convenience only and do not define, limit, or construe the contents thereof. The term "Franchisee" as used herein is applicable to one (1) or more persons, a corporation, limited liability company, or a partnership, as the case may be, and the singular usage includes the plural and the masculine and feminine usages include the other. If there is more than one signatory as "Franchisee", all of Franchisee's obligations hereunder and under any other agreement with Franchisor or its affiliates shall be joint and several in each and every respect and fully enforceable against each signatory. References in this Agreement to the termination of this Agreement, or the termination of the "Term of the Franchise", shall be deemed to include the expiration of this Agreement without renewal.

(e) **Construction**. Franchisor and Franchisee agree that if any provision of this Agreement is capable of two (2) constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the provision shall have the meaning which renders it valid and enforceable. The language of each provision of this Agreement shall be construed simply according to its fair meaning and not strictly against Franchisor or Franchisee.

(f) **Invalid Provisions**. It is the desire and intent of Franchisor and Franchisee that the provisions of this Agreement be enforced to the fullest extent possible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any provision of this Agreement is adjudicated to be invalid or unenforceable, such adjudication is to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made. All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid and unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. Franchisor and Franchisee shall substitute a valid and enforceable provision for any specification, standard, operating procedure, rule, or other obligation of Franchisee or Franchisor which is determined to be invalid or unenforceable and is not waived by the other.

(g) **Waivers**. Franchisor and Franchisee, by written instrument signed by both parties, may unilaterally waive any obligation of or restriction upon the other under this Agreement. No acceptance by Franchisor of any payment by Franchisee and no failure, refusal, or neglect of Franchisor or Franchisee to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder or with any specification, standard, or operating procedure shall constitute a waiver of any provision of this Agreement or any specification, standard, or operating procedure; provided, however, if a party fails to notify the other in writing of an alleged misrepresentation, violation of law, deficiency, or breach of this Agreement within one (1) year from the date such party has knowledge of, believes, determines, or is of the opinion that there has been a misrepresentation, violation of law, deficiency, or breach by the other party, then the alleged misrepresentation, violation of law, deficiency, or breach will be considered waived, but such waiver of any prior deficiency or breach of any provision of this Agreement shall not affect the obligation of the party to comply with the obligation or provision in the future; provided, however, that (i) this waiver will not apply to Franchisee's underreporting or underpayment of any fees Franchisee owes Franchisor, and (ii) the foregoing shall not otherwise extend or lengthen any statute of limitations provided by applicable law.

(h) **Modifications**. No modification of this Agreement shall be valid unless such modification is in writing and signed by Franchisee and Franchisor; provided, however, Franchisor may unilaterally modify or otherwise change the Confidential Manual(s).

(i) **Notices**. All notices permitted or required to be delivered pursuant to this Agreement shall be deemed so delivered:

(1) when delivered by hand;

(2) three (3) days after placed in the United States mail by registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after placed in the hands of an overnight courier, for next day delivery, and in either case addressed to the party to be notified at its most current principal business address of which the notifying party has been notified (which, in the case of Franchisee, includes the address of the Franchised Business); or

(3) one (1) business day after being sent via email to the party to be notified as follows: if to Franchisor, to franchising@autismcaretherapy.com and if to Franchisee, the Franchisor-provided email address for the Franchised Business.

(j) **Patriot Act Representations**. Franchisee represents and warrants that to its actual and constructive knowledge: (1) neither it (including its directors, officers, and managers), nor any of its affiliates, or any funding source for the Franchised Business, are identified on the list at the United States Treasury's Office of Foreign Assets Control; (2) neither it nor any of its affiliates is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (3) neither it nor any of its affiliates is acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (4) neither it nor any of its affiliates are on the U.S. Department of Commerce Denied Persons, Entities and Unverified Lists, the U.S. Department of State's Debarred Lists, or on the U.S. Department of Treasury's Lists of Specialty Designated Nationals, Specialty Designated Narcotics Traffickers or Specialty Designated Terrorists, as such lists may be amended from time to time (collectively, the "Lists"); (5) neither it nor any of its affiliates, during the term of this Agreement, will be on any of the Lists; and (6) during the term of this Agreement, neither it nor any of its affiliates will sell products, goods, or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists. Franchisee agrees to notify Franchisor in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

(k) **Variances**. Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any franchise owner based upon the peculiarities of a particular site or circumstance, density of population, business potential, population of trade area, existing business practices, or any other condition which Franchisor deems to be of importance to the successful operation of such franchise owner's business. Franchisee shall not complain on account of any variation from standard specifications and practices granted to any other franchise owner and shall not be entitled to require Franchisor to grant to Franchisee a like or similar variation thereof.

(l) **Entire Agreement**. The introduction and Rider and Statement of Ownership and Management hereto are a part of this Agreement, which constitutes the entire agreement of the parties, and at the time of this Agreement, there are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement, other than any Guaranties; provided, however, nothing in this or in any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered via facsimile, email, or electronic signature, record, process, confirmation, or transmission attached to or logically associated with this Agreement and executed and adopted with the intent to sign.

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement as of the Effective Date.

FRANCHISOR:
ACT FRANCHISING CORPORATION

By: ________________________
Name: ________________________
Title: ________________________

IF CORPORATION, LLC, OR PARTNERSHIP:
FRANCHISEE:

____

By: ________________________
Name: ________________________
Title: ________________________

IF INDIVIDUAL:
FRANCHISEE:

____
Name: ________________________

[THIS AGREEMENT CONTINUES WITH RIDER AND
STATEMENT OF OWNERSHIP AND MANAGEMENT ATTACHMENTS,
WHICH ARE A PART OF THIS AGREEMENT]

AUTISM CARE THERAPY
FRANCHISE AGREEMENT

RIDER

Effective Date: ______________________________

Franchisee: ______________________________

Form of Franchisee: (SELECT ONE)
☐ Corporation formed in the state of ______________
☐ Limited liability company formed in the state of ______________
☐ Partnership formed in the state of ______________
☐ Individual residing in the state of ______________

Initial Franchise Fee: $______________________________

Search Area: ______________________________

Address of Franchised Business: ______________________________

Protected Area: ______________________________

Property Control Date: (SELECT ONE)
☐ Six (6) months from the Effective Date
☐ ______________________________

Required Opening Date: (SELECT ONE)
☐ Twelve (12) months from the Effective Date
☐ ______________________________

IN WITNESS WHEREOF, the parties have executed this Rider as of ______________, 20___.

FRANCHISOR:
ACT FRANCHISING CORPORATION

By: ______________________
Name: ______________________
Title: ______________________

IF CORPORATION, LLC, OR PARTNERSHIP:
FRANCHISEE:
____

By: ______________________
Name: ______________________
Title: ______________________

IF INDIVIDUAL:
FRANCHISEE:

____
Name: ______________________

STATEMENT OF OWNERSHIP AND MANAGEMENT

The undersigned Franchisee ("Franchisee") represents and warrants to ACT Franchising Corporation ("Franchisor") that as of the date set forth below all of the information below is true and complete:

Franchisee: ______________________________

Form of Franchisee: (SELECT ONE)
☐ Corporation formed in the state of ______________________
☐ Limited liability company formed in the state of ______________
☐ Partnership formed in the state of ______________________

Name of Director: ______________________________

Ownership (EACH OWNER MUST SIGN A GUARANTY)		
NAME OF OWNER	**NO. OF SHARES/UNITS OWNED**	**OWNERSHIP PERCENTAGE**
		%
		%
		%
		%
		%
		%
		%

Franchisee acknowledges that this Statement of Ownership and Management applies to the Autism Care Therapy Franchise Agreement. Franchisee shall immediately notify Franchisor upon any change in the information contained in this Statement of Ownership and Management, and upon request of Franchisor, complete an updated or new Statement of Ownership and Management and Guaranty executed by all owners of Franchisee.

FRANCHISEE:

____

Date: ______________________________

By: ______________________________
Name: ______________________________
Title: ______________________________

GUARANTY

IN CONSIDERATION of the grant by ACT FRANCHISING CORPORATION ("Franchisor") of an Autism Care Therapy franchise to the party named as Franchisee ("Franchisee") in the Franchise Agreement to which this Guaranty is attached (the "Franchise Agreement"), and for other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby guarantee (jointly and severally with one another and all other guarantors of Franchisee, whether such guaranties are entered into prior to or after the date hereof) to Franchisor and to Franchisor's successors and assigns: (a) the payment of all costs and fees required to be paid to Franchisor or its affiliates by Franchisee, whether such costs and fees are provided for in the Franchise Agreement or under any other agreement between Franchisee and Franchisor or an affiliate of Franchisor, and (b) the performance by Franchisee of all its obligations under all such agreements and under all manuals and operating procedures of Franchisor's business system. The undersigned further specifically agree to remain individually bound by all covenants, obligations, and commitments of Franchisee contained in the Franchise Agreement and such other agreements to the same extent as if each of the undersigned had individually been named as Franchisee in the Franchise Agreement and such other agreements, and the undersigned had individually executed the Franchise Agreement and such other agreements.

The undersigned understand and agree that any modification of the Franchise Agreement or any other agreement, including any addendum or addenda thereto, or waiver by Franchisor of the performance by Franchisee of its obligations thereunder, or the giving by Franchisor of any extension of time for the performance of any of the obligations of Franchisee thereunder, or any other forbearance on the part of Franchisor or any failure by Franchisor to enforce any of its rights under the Franchise Agreement or any other agreement, including any addendum or addenda thereto, shall not in any way release the undersigned from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of Franchisee is so released, terminated, affected, or diminished. Notice to the undersigned of any such modification, waiver, extension, or forbearance under the terms thereof being hereby waived.

The undersigned further understand and agree that no bankruptcy or reorganization of Franchisee shall release or otherwise affect the obligations of the undersigned to pay all costs and fees provided for in all agreements between Franchisee and Franchisor or its affiliates, or otherwise owing to Franchisor or its affiliates, and to perform all the provisions of such agreements, as well as all manuals and operating procedures of Franchisor's business system, nor does the same release the undersigned from being individually bound to perform all covenants, obligations, and commitments of Franchisee contained in the Franchise Agreement or any other agreement to the same extent as if each of the undersigned had individually executed the Franchise Agreement and such other agreements.

This Guaranty shall be enforceable upon ten (10) days' written notice by Franchisor to any of the undersigned of any default by Franchisee of any of its covenants under the terms of the Franchise Agreement and addendum or addenda thereto. The undersigned hereby waive any and all notice of default on the part of Franchisee; waive exhausting of recourse against Franchisee; and consent to any assignment of the Franchise Agreement and any other agreement, in whole or in part, that Franchisor or its assignees may make. This Guaranty shall be a continuing Guaranty and may not be revoked without the prior written consent of Franchisor. This Guaranty shall apply to all agreements referenced in this Guaranty, to the renewal of all such agreements, and to any successor agreements thereto.

Date: ______________________ ______________________
Name: ______________________

Date: ______________________ ______________________
Name: ______________________

Date: ______________________ ______________________
Name: ______________________

Date: ______________________ ______________________
Name: ______________________

[SIGNATURE PAGE TO GUARANTY]

FRANCHISE ASSIGNMENT, SALE, AND TRANSFER
TO ENTITY OWNED BY ORIGINAL FRANCHISEE

1 ASSIGNMENT AND SALE

Pursuant to Section 16(c)(1) of the Autism Care Therapy Franchise Agreement dated ____________________, by and between the undersigned and ACT FRANCHISING CORPORATION (the "Agreement"), I/we hereby transfer, subject to approval by ACT FRANCHISING CORPORATION (the "Franchisor"), all my/our rights, in the Agreement, effective _________________________, to the Transferee (as defined below). I/we understand that this transfer does not relieve me/us of my/our obligations under the Agreement. To induce Franchisor to approve this assignment:

(a) I/we agree to subordinate any payment due to me/us from the Transferee to any other obligation the Transferee may have to Franchisor. If Franchisor notifies me/us of our default by the Transferee of its obligations to Franchisor under the Agreement, I/we will not accept any further amounts that may be owed to me/us by the Transferee until Franchisor has confirmed, in writing, that such defaults have been cured.

(b) I/we release Franchisor and its officers, directors, and agents, from all actions and claims I/we may have against them arising out of their sale to me/us of Autism Care Therapy franchises, or in connection with my/our operation of Autism Care Therapy franchises, including, but not limited to, any claims arising under the Agreement. Notwithstanding the foregoing, this release does not release any claims I/we may have that may not be released pursuant to the franchise laws where I/we is/are a resident or where the franchised business is located, to the extent required by applicable law. The general release above does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

(c) I/we will remain bound to all the obligations of the Franchisee contained in the Agreement to the same extent as if I/we remain the Franchisee under that Agreement.

____
Name of New Franchisee ("Transferee")

____
Address of Transferee

____
City, State, and Zip Code of Transferee

Signatures of Original Franchisee(s) (collectively, "Transferor"):

______________________________	______________________________
Name: __________________________	Date
______________________________	______________________________
Name: __________________________	Date
______________________________	______________________________
Name: __________________________	Date
______________________________	______________________________
Name: __________________________	Date

2 ACCEPTANCE OF TRANSFER BY TRANSFEREE

The undersigned entity hereby accepts transfer of the Agreement and agrees to be bound by all of the provisions of the Agreement and to assume all of the obligations required of Franchisee named herein.

____
Name of Transferee

By: ____________________________ Date: ____________________
Name: ____________________________
Title: ____________________________

3 APPROVAL OF TRANSFER

It is hereby agreed that the Transferee is approved and accepted as Franchisee for the Franchised Business described in the Agreement and is authorized to exercise all rights and obligations of Franchisee named in the Agreement, pursuant to the terms of the Agreement.

ACT FRANCHISING CORPORATION

Date: ________________________ By: ________________________
Name: ________________________
Title: ________________________

GENERAL RELEASE

(USED IN EVENT OF TRANSFER)

In consideration of the agreement of ACT FRANCHISING CORPORATION ("Franchisor") to consent to the assignment by ________________________________ ("Franchisee") of its Franchise Agreement dated ______________ between Franchisee and Franchisor (the "Agreement"), Franchisee hereby releases and forever discharges Franchisor, and all affiliates of Franchisor, and their respective governors/directors, managers/officers, owners/shareholders, employees, and agents, in their corporate and individual capacities, and their respective heirs, personal representatives, successors, and assigns, from any and all claims Franchisee may have against such parties, from the beginning of time to the date hereof, known or unknown, whether in law or in equity, including, but not limited to, any claims arising out of the offer or sale of any franchise to Franchisee, and any matters arising under the Agreement.

NOTWITHSTANDING THE FOREGOING, THIS RELEASE DOES NOT RELEASE ANY CLAIMS THE UNDERSIGNED MAY HAVE THAT MAY NOT BE RELEASED PURSUANT TO THE FRANCHISE LAWS WHERE THE UNDERSIGNED IS A RESIDENT OR WHERE THE FRANCHISED BUSINESS IS LOCATED, TO THE EXTENT REQUIRED BY APPLICABLE LAW. The general release above does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

Date: ______________________________ ______________________________
Name: ______________________________

Date: ______________________________ ______________________________
Name: ______________________________

Date: ______________________________ ______________________________
Name: ______________________________

Date: ______________________________ ______________________________
Name: ______________________________

[ADDITIONAL PROVISIONS FOR CALIFORNIA FRANCHISEES ONLY]

Waiver of Civil Code Section 1542. This Release is intended by Franchisee to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of Franchisee against Franchisor and the other released parties regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. Franchisee hereby expressly, knowingly, and intentionally waives any and all rights, benefits, and protections of Section 1542 and of any other state or federal statute or common law principle limiting the scope of a general release, as well as under any other statutes or common law principles of similar effect to Section 1542, whether now or hereinafter existing under the laws of California, or any other applicable federal and state law with jurisdiction over the parties' relationship. Franchisee has been made aware of, and understand, the provisions of California Civil Code Section 1542 ("Section 1542"), which provides:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

In making this voluntary express waiver, Franchisee acknowledges that claims or facts in addition to or different from those that are now known or believed to exist with respect to the matters mentioned herein may later be discovered and that it is the intention of Franchisee to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. You acknowledge and agree that the foregoing waiver of Section 1542 is an essential, integral and material term of this Release.

Release Not Admission. Franchisee understands and agrees that the giving or acceptance of this Release and the agreements contained herein shall not constitute or be construed as an admission of any liability by Franchisor or an admission of the validity of any claims made by or against Franchisor.

LEASE RIDER

This **LEASE RIDER** is attached to and made a part of that certain ___________________________ (the "Lease") dated ____________________, 20___ (the "Lease Execution Date"), by and between __________________________ ("Landlord") and ______________________ ("Tenant"), for certain space (the "Premises") described in the Lease as being located at ____. All capitalized terms shall have the same meanings as in the Lease unless defined otherwise in this Lease Rider. If any of the terms of this Lease Rider conflict with any of the terms of the Lease, the provisions of this Lease Rider shall prevail.

1 CERTAIN RIGHTS OF FRANCHISOR

(a) Landlord acknowledges that Tenant (or its affiliate) is a franchisee of ACT Franchising Corporation ("Franchisor"), and that the business to be located at the Premises is to be operated under the "Autism Care Therapy" franchise system, pursuant to a franchise agreement ("Franchise Agreement") between Tenant (or its affiliate) and Franchisor.

(b) Tenant and Landlord acknowledge that the Premises will be operated only as an Autism Care Therapy business, and that:

(1) Upon termination or expiration of the Franchise Agreement for any reason whatsoever, the Landlord will grant Franchisor an option, for thirty (30) days thereafter, to replace Tenant as lessee and at any time thereafter to assign its interest to Franchisor or its affiliate, or to another franchisee of Franchisor who would then become the lessee with the approval of Landlord, which approval may not be unreasonably withheld;

(2) Landlord shall furnish to Franchisor, contemporaneously with that to Tenant, written notice of any default in the Lease and the action required to cure such default. In the event of a monetary default, Landlord shall allow Franchisor thirty (30) days after receipt of such notice to escrow the funds necessary to cure such default if Tenant fails to do so. In the event of a non-monetary default, Landlord shall allow Franchisor thirty (30) days after Franchisor's receipt of such written notice to provide Landlord with a letter of undertaking to cure such default if Tenant fails to do so. If Tenant fails to cure either type of default, and Franchisor has escrowed the required funds, or provided the necessary undertaking, as the case may be, Landlord shall take any action necessary to remove Tenant from the Premises and retake possession of the Premises. Landlord shall then allow Franchisor to cure the default and take possession of the Premises as lessee under the same Lease, and at any time thereafter to assign its interest to Franchisor's affiliate, or to another franchisee of Franchisor who would then become the lessee with the approval of Landlord, which approval may not be unreasonably withheld. Nothing herein obligates Franchisor to escrow any funds or to take any action;

(3) Landlord shall accept Franchisor or its franchisee as a substitute under the existing terms of the Lease upon notice from Franchisor that it is exercising its option to replace Tenant as lessee and approval by Landlord of the substitute tenant, including review of applicable financial statements of the substitute tenant; and

(4) Landlord acknowledges that, in all cases, Tenant is solely responsible for all obligations, payments and liabilities accruing under the Lease unless and until Franchisor exercises its option to become substitute lessee.

2 THIRD PARTY BENEFICIARY

Landlord and Tenant acknowledge that Franchisor is an intended third-party beneficiary to the Lease, and as such, the Lease may not be amended so as to affect any of the provisions of this Lease Rider, or the intent of the same, without the prior written approval of Franchisor.

3 RIGHT TO ENTER PREMISES

Franchisor shall have the right to enter the Premises to make any modification or alteration necessary to protect the Autism Care Therapy franchise system and marks or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort. Landlord shall not be responsible for any expenses or damages arising from any such action by Franchisor. Tenant hereby releases, acquits, and discharges Franchisor and Landlord, their respective subsidiaries, affiliates, successors and assigns, and the officers, directors, shareholders, partners, employees, agents, and representatives of each of them, from any and all claims, demands, accounts, actions and causes of action, known or unknown, vested or contingent, which any of them may have, ever had, now has, or may hereafter have by reason of any event, transaction, or circumstance arising out of or relating to the exercise of Franchisor's rights pursuant to this Lease Rider.

4 NOTICES

All notices sent pursuant to this Lease Rider shall be sent in the manner set forth in the Lease, and delivery of such notices shall be effective as of the times provided for in the Lease. For purposes of notice under the Lease, Franchisor's mailing address shall be ACT Franchising Corporation, 44 West Roosevelt Road, Lombard, Illinois 60148, which address may be changed by written notice to Landlord in the manner provided in the Lease.

5 MISCELLANEOUS

(a) **Successors and Assigns**. This Lease Rider shall be binding upon and inure to the benefit of the undersigned, their legal representatives, successors, and assigns. Nothing contained herein shall, however, authorize or entitle the Tenant (or its affiliate) to assign any of its rights or privileges under the Franchise Agreement, which rights of Tenant (or its affiliate) are only as set forth in the Franchise Agreement.

(b) **Entire Agreement; Counterparts**. Insofar as the matters relating to Landlord and the Premises are concerned, this Lease Rider sets forth the complete agreement between Landlord and Franchisor. This Lease Rider may be executed in one or more counterparts, each of which shall be deemed an original and together which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Lease Rider effective as of the Lease Execution Date.

FRANCHISOR:
ACT FRANCHISING CORPORATION

By: ______________________________
Name: ______________________________
Title: ______________________________

IF CORPORATION, LLC, OR PARTNERSHIP:
TENANT:

____

By: ______________________________
Name: ______________________________
Title: ______________________________

IF INDIVIDUAL:
TENANT:

____
Name: ______________________________

IF CORPORATION, LLC, OR PARTNERSHIP:
LANDLORD:

____

By: ______________________________
Name: ______________________________
Title: ______________________________

IF INDIVIDUAL:
LANDLORD:

____
Name: ______________________________

ADDENDUM TO
AUTISM CARE THERAPY FRANCHISE AGREEMENT
FOR THE
STATE OF CALIFORNIA

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of California.

This California Addendum is only applicable if you are a resident of California or if your business will be located in California.

1. The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning transfer, termination and nonrenewal of the Franchise Agreement and certain provisions of the Franchise Agreement relating to transfer, termination and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Franchise Agreement and your relationship with Franchisor, including the areas of transfer, termination and renewal of Franchisee's franchise. If the Franchise Agreement is inconsistent with the law, the law will control.

2. The Franchise Agreement requires Franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 - 20043)). To the extent required by such laws, Franchisee shall not be required to execute a general release.

3. The Franchise Agreement requires application of the laws and forum of Illinois. This provision may not be enforceable under California law.

4. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

5. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

6. The Franchise Agreement requires that the highest interest rate allowed by law in California is 10% annually.

7. The Franchise Agreement requires binding arbitration. The arbitration will occur at the office of the American Arbitration Association in Chicago, Illinois. You will bear all costs of arbitration if we secure any relief against you in the arbitration, or are successful in defending a claim you bring against us in the arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code section 20040.5, Code of Civil Procedure section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

8. Section 22 of the Franchise Agreement entitled "Franchisee Representations" is hereby deleted in its entirety and replaced with "[Intentionally Deleted]".

9. No statement, questionnaire, or acknowledgment signed or agreed to by 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

Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

10. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Relations Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date the Franchise Agreement was executed.

FRANCHISOR:
ACT FRANCHISING CORPORATION

By: ______________________
Name: ______________________
Title: ______________________

IF CORPORATION, LLC, OR PARTNERSHIP:
FRANCHISEE:

____

By: ______________________
Name: ______________________
Title: ______________________

IF INDIVIDUAL:
FRANCHISEE:

____
Name: ______________________

ADDENDUM TO
AUTISM CARE THERAPY FRANCHISE AGREEMENT
FOR THE
STATE OF ILLINOIS

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of Illinois.

1. Illinois law governs the Franchise Agreement.

2. Franchisee's rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, 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 the Illinois is void. This shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under the provisions of the Illinois Franchise Disclosure Act, nor shall it prevent the arbitration of any claims pursuant to the provisions of Title IX of the United States Code.

5. The provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under Title 11, United States Code, Section 101.

6. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date the Franchise Agreement was executed.

FRANCHISOR:
ACT FRANCHISING CORPORATION

By: ______________________
Name: ______________________
Title: ______________________

IF CORPORATION, LLC, OR PARTNERSHIP:
FRANCHISEE:

____

By: ______________________
Name: ______________________
Title: ______________________

IF INDIVIDUAL:
FRANCHISEE:

____
Name: ______________________

**ADDENDUM TO
AUTISM CARE THERAPY FRANCHISE AGREEMENT
FOR THE
STATE OF INDIANA**

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of Indiana.

1. In accordance with IC 23-2-2.7-1, the applicable sections of the Franchise Agreement are hereby amended to provide that Franchisor will not: (a) require the Franchisee to execute a release in connection with the renewal or transfer of the franchise which purports to relieve any person from liability to be imposed under the Indiana Deceptive Franchise Practices Act; (b) require the Franchisee to covenant not to compete with the Franchisor in an area greater than the Protected Area set forth in the Franchise Agreement, upon termination of or failure to renew the Franchise Agreement; or (c) limit litigation brought for breach of the Franchise Agreement.

2. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of the Franchise Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern. Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

3. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana franchise laws are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date the Franchise Agreement was executed.

FRANCHISOR:
ACT FRANCHISING CORPORATION

By: ______________________________
Name: ______________________________
Title: ______________________________

IF CORPORATION, LLC, OR PARTNERSHIP:
FRANCHISEE:
____

By: ______________________________
Name: ______________________________
Title: ______________________________

IF INDIVIDUAL:
FRANCHISEE:

____
Name: ______________________________

ADDENDUM TO
AUTISM CARE THERAPY FRANCHISE AGREEMENT
FOR THE
STATE OF MARYLAND

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of Maryland.

1. Sections 2(c) and 18(c) of the Franchise Agreement are revised to provide that, pursuant to COMAR 02.02.08.16L, the general release required as a condition to renewal, sale or consent to assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Section 19(a) of the Franchise Agreement is revised to provide that termination upon bankruptcy might not be enforceable under the U.S. Bankruptcy Act, but Franchisor intends to enforce it to the extent enforceable.

3. Section 20(d) of the Franchise Agreement is revised to include the following language:

> "Notwithstanding the provisions of this section, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and , Disclosure Law. Any claims under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise."

4. The Franchise Agreement states that Illinois law generally applies. However, the conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Maryland Law, and we will comply with that law in Maryland.

5. Section 22 of the Franchise Agreement entitled "Franchisee Representations" is hereby deleted in its entirety and replaced with "[Intentionally Deleted]".

6. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of ____________________.

FRANCHISOR:
ACT FRANCHISING CORPORATION

By: ______________________________
Name: ______________________________
Title: ______________________________

IF CORPORATION, LLC, OR PARTNERSHIP:
FRANCHISEE:

____

By: ______________________________
Name: ______________________________
Title: ______________________________

IF INDIVIDUAL:
FRANCHISEE:

____
Name: ______________________________

ADDENDUM TO
AUTISM CARE THERAPY FRANCHISE AGREEMENT
FOR THE
STATE OF MINNESOTA

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of Minnesota.

1. Minnesota Statutes, Section 80C.21, and Minnesota Rules 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Agreement can abrogate or reduce (a) any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C; or (b) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Franchisee cannot consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief.

2. With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statutes, Section 80C.14, subd. 3-5, which require (except in certain specified cases) (a) that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and (b) that consent to the transfer of the franchise will not be unreasonably withheld.

3. To the extent required by the Minnesota Franchise Act, Franchisor will protect Franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols related to the trademarks or indemnify Franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the trademarks, provided Franchisee is using the names in marks in accordance with the Franchise Agreement.

4. Minnesota Rules 2860.4400(D) prohibits Franchisor from requiring Franchisee to assent to a general release.

5. Franchise Agreement, Section 23(g), is revised to comply with Minnesota Statutes, Section 80C.17, subd. 5.

6. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Statutes, Chapter 80C, are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date the Franchise Agreement was executed.

FRANCHISOR:
ACT FRANCHISING CORPORATION

By: ______________________________
Name: ______________________________
Title: ______________________________

IF CORPORATION, LLC, OR PARTNERSHIP:
FRANCHISEE:

____

By: ______________________________
Name: ______________________________
Title: ______________________________

IF INDIVIDUAL:
FRANCHISEE:

____
Name: ______________________________

ADDENDUM TO
AUTISM CARE THERAPY FRANCHISE AGREEMENT
FOR THE
STATE OF NEW YORK

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of New York.

1. Section 16(a) of the Franchise Agreement is revised to include the following:

> "The Franchisor will not make an assignment except to an assignee who, in the Franchisor's good faith judgment, is willing and able to assume its obligations under the Agreement."

2. Section 19(b) of the Franchise Agreement is modified by the addition of the following at the end of such section:

> "In addition, the Franchisee shall have the right to terminate the Franchise Agreement to the extent allowed under applicable law."

3. Sections 20(d) (relating to venue) and 20(g) (relating to collateral estoppel) of the Franchise Agreement are revised to include the following language:

> "Provided, however, that all rights arising under Franchisee's favor from the provisions of Article 33 of the GBL of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Section 687.4 and 687.5 be satisfied."

4. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Article 33 of the General Business Law of the State of New York are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date the Franchise Agreement was executed.

FRANCHISOR:
ACT FRANCHISING CORPORATION

By: ____________________
Name: ____________________
Title: ____________________

IF CORPORATION, LLC, OR PARTNERSHIP:
FRANCHISEE:

____

By: ____________________
Name: ____________________
Title: ____________________

IF INDIVIDUAL:
FRANCHISEE:

____
Name: ____________________

**ADDENDUM TO
AUTISM CARE THERAPY FRANCHISE AGREEMENT
FOR THE
STATE OF NORTH DAKOTA**

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of North Dakota.

1. The North Dakota Securities Commissioner has determined that it is unfair and unequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to sign a general release upon renewal of the Franchise Agreement. Therefore, the requirement that the franchisee signs a release upon renewal of the Franchise Agreement is deleted.

2. Section 15 of the Franchise Agreement is revised to provide that covenants not to compete are generally considered unenforceable in the state of North Dakota.

3. The North Dakota Securities Commissioner has determined that it is unfair and unequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to consent to the jurisdiction of courts located outside of North Dakota. Therefore, any references in the Franchise Agreement to any requirement that the franchisee consents to the jurisdiction of courts located outside of North Dakota are deleted.

4. The North Dakota Securities Commissioner has determined that it is unfair and unequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to agree to arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business. Therefore, any references in the Franchise Agreement to any requirement that the franchisee consents to arbitration or mediation located outside of North Dakota are amended to include the following:

> "Pursuant to the North Dakota Franchise Investment Law, the site of arbitration or mediation shall be agreeable to all parties and may not be remote from your place of business."

5. Any references in the Franchise Agreement to any requirement to consent to a waiver of exemplary and punitive damages are deleted.

6. Any references in the Franchise Agreement to any requirement to consent to a waiver of trial by jury are deleted.

7. Any claims arising under the North Dakota franchise law will be governed by the laws of the State of North Dakota.

8. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney's fees.

9. Any references in the Franchise Agreement requiring franchisee to consent to termination penalties or liquidated damages are deleted.

10. Any references in the Franchise Agreement requiring the franchisee to consent to a limitation of claims are deleted. The statute of limitations under North Dakota law applies.

11. 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

Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date the Franchise Agreement was executed.

FRANCHISOR:
ACT FRANCHISING CORPORATION

By: ______________________
Name: ______________________
Title: ______________________

IF CORPORATION, LLC, OR PARTNERSHIP:
FRANCHISEE:
____

By: ______________________
Name: ______________________
Title: ______________________

IF INDIVIDUAL:
FRANCHISEE:

____
Name: ______________________

ADDENDUM TO
AUTISM CARE THERAPY FRANCHISE AGREEMENT
FOR THE
STATE OF SOUTH DAKOTA

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of South Dakota.

1. Section 19 of this Franchise Agreement is modified by adding the following at the end of the sentence:

> "Under South Dakota law, termination provisions covering breach of the franchise agreement, failure to meet performance and quality standards, and failure to make royalty payments contained in the Disclosure Document and franchise agreement must afford a franchisee thirty (30) days written notice with an opportunity to cure the default prior to termination."

2. Section 15 of this Franchise Agreement is modified by adding the following at the end of the sentence:

> "Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of South Dakota, except in certain instances as provided by law."

3. Section 20(c) of this Franchise Agreement is amended by adding the following at the end of the paragraph:

> "except that matters coming under the South Dakota Law will be submitted to arbitration in a mutually agreeable location."

4. Section 20(c) of this Franchise Agreement is amended to read as follows:

> Except for matters coming under the South Dakota Law, litigation and arbitration must be in Illinois.

5. Section 23(b) of this Franchise Agreement is amended to read as follows:

> "The law of South Dakota governs."

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date the Franchise Agreement was executed.

FRANCHISOR:
ACT FRANCHISING CORPORATION

By: ____________________
Name: ____________________
Title: ____________________

IF CORPORATION, LLC, OR PARTNERSHIP:
FRANCHISEE:
____

By: ____________________
Name: ____________________
Title: ____________________

IF INDIVIDUAL:
FRANCHISEE:

____
Name: ____________________

ADDENDUM TO
AUTISM CARE THERAPY FRANCHISE AGREEMENT
FOR THE
STATE OF VIRGINIA

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of Virginia.

1. Section 19(a) of the Franchise Agreement is modified by the insertion of the following at the end of such Section:

> "Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

2. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date the Franchise Agreement was executed.

FRANCHISOR:
ACT FRANCHISING CORPORATION

By: ______________________________
Name: ______________________________
Title: ______________________________

IF CORPORATION, LLC, OR PARTNERSHIP:
FRANCHISEE:

____

By: ______________________________
Name: ______________________________
Title: ______________________________

IF INDIVIDUAL:
FRANCHISEE:

____
Name: ______________________________

ADDENDUM TO
AUTISM CARE THERAPY FRANCHISE AGREEMENT
FOR THE
STATE OF WISCONSIN

Notwithstanding anything to the contrary set forth in the Autism Care Therapy Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Autism Care Therapy franchises offered and sold or operated in the State of Wisconsin.

1. The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, non-renewal, or substantial change in competitive circumstances of a dealership agreement without good cause. The law further provides that 90 days' prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. The Franchise Agreement is hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provisions of the Franchise Agreement that are inconsistent with the Wisconsin Fair Dealership Law.

2. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Wisconsin Fair Dealership Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date the Franchise Agreement was executed.

FRANCHISOR:
ACT FRANCHISING CORPORATION

By: ______________________
Name: ______________________
Title: ______________________

IF CORPORATION, LLC, OR PARTNERSHIP:
FRANCHISEE:

____

By: ______________________
Name: ______________________
Title: ______________________

IF INDIVIDUAL:
FRANCHISEE:

____
Name: ______________________

4908-8991-4153, v. 1

EXHIBIT G
[INTENTIONALLY OMITTED]

EXHIBIT H
BUSINESS ASSOCIATE AGREEMENT

BUSINESS ASSOCIATE AGREEMENT

This **BUSINESS ASSOCIATE AGREEMENT** ("Agreement") is made effective as of ____________________, 20___ ("Effective Date"), by and between ACT FRANCHISING CORPORATION, an Illinois corporation ("Business Associate"), and the following covered entity, (or is a Business Associate to one or more Covered Entities or a Subcontractor to one or more Business Associates) pursuant to HIPAA ("Covered Entity"):

Name of Covered Entity: ____

Form of Covered Entity:

☐ Corporation formed in the state of ________________________
☐ Limited liability company formed in the state of _____________
☐ Partnership formed in the state of ________________________
☐ Individual residing in the state of ________________________

RECITALS

A. The parties are committed to complying with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 C.F.R. Parts 160 & 164, under the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), as such regulations are currently drafted and as may be subsequently updated, amended, or revised (the "Regulations");

B. The parties have entered or are contemplating entering into one or more agreements (the "Underlying Agreements"), whereby Business Associate provides certain services for or on behalf of the Covered Entity, under which Business Associate uses or may use and/or disclose Protected Health Information (as defined below) in its performance of the services described in the Underlying Agreements (the "Services"); and

C. In order to comply with HIPAA, Business Associate has agreed to enter into this Agreement with the Covered Entity, which sets forth the terms and conditions pursuant to which Protected Health Information that is provided by, or created or received by, Business Associate from or on behalf of the Covered Entity is to be handled by Business Associate during the term of this Agreement and after its termination.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, the mutual promises contained herein, and the mutual benefit to be gained by the performance hereof, it is hereby agreed as follows:

1. DEFINITIONS

1.1 "Breach" shall have the same meaning as the term "breach" as set forth in 42 U.S.C. § 17921, and as further amended in 45 C.F.R. § 164.402.

1.2 "HITECH Act" shall mean the Health Information Technology for Economic and Clinical Health Act that was adopted as part of the American Recovery and Reinvestment Act of 2009 and is considered an amendment to HIPAA.

1.3 "HITECH", as used herein, shall mean the HITECH Act and its implementing regulations.

1.4 "Privacy Officer" shall mean the person who may be designated as the Privacy Officer by the Covered Entity from time to time.

1.5 "Protected Health Information" or "PHI" shall have the meaning set forth in its definition at 45 C.F.R. §160.103, except that for purposes of this Agreement, it shall be limited to information created by or received by Business Associate on behalf of the Covered Entity.

1.6 “Security Incident” shall have the meaning set forth in 45 C.F.R. § 164.304 of the Regulations.

1.7 “Unsecured PHI” shall mean PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified in guidance issued in accordance with 45 C.F.R. § 164.402.

Capitalized terms used but not defined herein shall have the same meaning as those terms set forth in HIPAA, HITECH, or the Regulations.

2. PERMITTED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

2.1 **Services**. Pursuant to the Underlying Agreements, Business Associate provides Services for or on behalf of the Covered Entity that involves or may involve the use and disclosure of Protected Health Information to Business Associate in connection with the Services. Except as otherwise specified herein, Business Associate may make any and all uses and disclosures of Protected Health Information necessary to perform the Services for or on behalf of the Covered Entity, provided that any such use or disclosure would not violate the Regulations if done by the Covered Entity. Moreover, Business Associate may disclose Protected Health Information for the purposes authorized by this Agreement only (a) to its employees, subcontractors, and agents, provided the requirements set forth in Section 3.1 are satisfied; (b) as directed by the Covered Entity, including disclosures to other business associates of the Covered Entity; (c) as Required by Law; or (d) as otherwise permitted by the terms of this Agreement including, but not limited to, Section 2.2(b).

2.2 **Business Activities of the Business Associate**. Unless otherwise limited herein, the Business Associate may:

a. Use Protected Health Information in its possession for its proper management and administration and to fulfill any present or future legal responsibilities of Business Associate, provided that such uses are permitted under HIPAA, and any other applicable state and federal confidentiality laws; and

b. Disclose Protected Health Information in its possession to third parties for the purpose of its proper management and administration or to fulfill any present or future legal responsibilities of Business Associate, provided that: (1) the disclosures are Required by Law and allowable by HIPAA; or (2) Business Associate has entered into an agreement with any such third party that requires such third party to adhere with the same restrictions and obligations of the Business Associate under this Agreement with respect to Protected Health Information.

3. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PROTECTED HEALTH INFORMATION

3.1 **Responsibilities of Business Associate**. With regard to its use and/or disclosure of Protected Health Information, Business Associate shall:

a. Use and/or disclose Protected Health Information only as permitted or required by this Agreement, or as Required by Law.

b. Prevent the use or disclosure of PHI in a manner or for a purpose not permitted or required by this Agreement, and implement administrative, physical, and technical safeguards that will protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

c. Comply with the Regulations' minimum necessary standard in 42 C.F.R. §164.502(b), in accordance with HITECH and applicable guidance from the U.S. Department of Health and Human Services, as and when effective.

d. Ensure that all of Business Associate's subcontractors and agents to whom it provides Protected Health Information under this Agreement agree in writing to (1) adhere to the same restrictions and conditions on the use and/or disclosure of Protected Health Information; and (2) to implement reasonable and appropriate safeguards to protect all Protected Health Information.

e. Report to the Privacy Officer, in writing, any use and/or disclosure of Protected Health Information that is not permitted or required by this Agreement, or any Security Incident, within five (5) business days of the Business Associate's becoming aware of such unauthorized use and/or disclosure, or the discovery of facts that indicate that such unauthorized use and/or disclosure may have occurred, or Security Incident, and notify Privacy Officer of a Breach of Unsecured PHI in accordance with Section 3.4.

f. Establish procedures for mitigating, to the greatest extent possible, any deleterious effects from any use and/or disclosure of Protected Health Information that Business Associate is required to report to the Covered Entity under Section 3.4.

g. Make available all of Business Associate's internal practices, records, books, agreements, policies, and procedures relating to the use and/or disclosure of Protected Health Information to the Secretary of the U.S. Department of Health and Human Services for purposes of determining the Covered Entity's compliance with the Regulations.

h. Make available all of Business Associate's internal practices, records, books, agreements, policies, and procedures relating to the use and/or disclosure of Protected Health Information to the Covered Entity for purposes of determining Business Associate's compliance with this Agreement.

i. Within five (5) business days of written notification from the Covered Entity, provide access to Protected Health Information in a Designated Record Set to the Covered Entity or provide such information directly to Individuals as requested by the Covered Entity in order for the Covered Entity to meet the requirements under 45 C.F.R. § 164.524. Business Associate shall provide prompt written notice to Privacy Officer if it receives a request for access to PHI in a Designated Record Set directly from an Individual.

j. Within five (5) business days of receiving written request from the Covered Entity, make any amendment to Protected Health Information in a Designated Record Set requested by the Covered Entity pursuant to 45 C.F.R. § 164.526; provided, however, that the Covered Entity is permitted to make the determination that the amendment(s) is necessary pursuant to 45 C.F.R. § 164.526. Business Associate shall provide prompt written notice to Privacy Officer if it receives a request to amend PHI directly from an Individual.

k. Provide to the designated Privacy Officer of the Covered Entity, when requested, a written list of applicable disclosures made by Business Associate in order for the Covered Entity to respond to a request by an Individual for an accounting of disclosures of the Individual's Protected Health Information in accordance with 45 C.F.R. § 164.528. Business Associate shall provide prompt notice to Privacy Officer if it receives a request for an accounting of disclosures directly from an Individual.

3.2 **Responsibilities of the Covered Entity**. With regard to the use and/or disclosure of Protected Health Information by Business Associate, the Covered Entity shall:

a. **Notice of Privacy Practices**. Make available to Business Associate the most recent version of the Covered Entity's notice of privacy practices.

b. **Special Restrictions**. Notify Business Associate, in a timely manner, of any arrangements permitted or required of the Covered Entity that may impact in any manner the use and/or disclosure of Protected Health Information by Business Associate under this Agreement, including, but not limited to, restrictions on use and/or disclosure of Protected Health Information as provided for in 45 C.F.R. § 164.522 agreed to by the Covered Entity.

3.3 **HITECH Provisions**. Business Associate hereby acknowledges and agrees that to the extent it is functioning as a business associate of the Covered Entity, Business Associate will comply with the provisions of this Agreement and with the obligations of a business associate as required by HIPAA and the HITECH Act commencing on the applicable effective date of each such provision. Business Associate and the Covered Entity further agree that the provisions of HIPAA and the HITECH Act that apply to business associates and that are required to be incorporated by reference in a business associate agreement are hereby incorporated into this Agreement as if set forth in this Agreement in their entirety and are effective as of the applicable effective date. Without limiting the preceding, the parties agree as follows:

a. **Security Regulations**. 45 C.F.R. §§ 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), and 164.316 (policies and procedures and documentation requirements) apply to Business Associate in the same manner that such sections apply to the Covered Entity. The additional requirements of Section 13401 of the HITECH Act that relate to security and that are made applicable with respect to covered entities shall also be applicable to Business Associate as a business associate of the Covered Entity.

b. **Privacy Regulations**. Business Associate may use and disclose Protected Health Information only if such use or disclosure, respectively, is in compliance with each applicable requirement of 45 C.F.R. § 164.504(e). The additional requirements of Section 13404 of the HITECH Act that relate to privacy and that are made applicable with respect to covered entities shall also be applicable to Business Associate as a business associate of the Covered Entity.

3.4 **Notifications of Breach of Unsecured PHI**. Business Associate shall provide written notice to the Privacy Officer of any Breach of Unsecured PHI ("BA Breach") within five (5) business days of Business Associate's discovery of a BA Breach, or as otherwise Required by Law. This written notice ("Initial Notice") shall contain the following: (a) a brief description of the breach, including the date of the breach and the date of the discovery, if known; (b) a description of the types of Unsecured PHI involved, including the number and identities of Individuals involved; (c) recommended steps that should be taken to protect Individuals from further harm; and (d) a brief description of steps Business Associate is taking and will take to mitigate harm.

Business Associate shall also provide the Covered Entity with other available information that the Covered Entity is required to include in notifications under 45 C.F.R. § 164.404 or other applicable law, and other relevant information reasonably requested by the Covered Entity, at the time of the Initial Notice or promptly thereafter as such information becomes available.

4. TERM AND TERMINATION

4.1 **Term**. This Agreement shall become effective on the Effective Date and shall continue in effect until the termination or expiration of all Underlying Agreements. In addition, certain provisions and requirements of this Agreement shall survive its expiration or termination in accordance with Section 5.1.

4.2 **Effect of Termination**. Upon the termination or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information, in a manner that ensures its nondisclosure, to the Covered Entity within ten (10) days unless a mutually agreed upon time has been determined, pursuant to 45 C.F.R. § 164.504(e)(2)(I), if it is feasible to do so. If it is not feasible for Business Associate to return or destroy said Protected Health Information, Business Associate will notify the Covered Entity in writing. Such notification shall include: (a) a statement that Business Associate has determined that it is infeasible to return or destroy the Protected Health Information in its possession; and (b) the specific reasons for such determination, which shall include record retention requirements. In addition, Business Associate shall extend any and all protections, limitations, and restrictions contained in this Agreement to the Business Associate's use and/or disclosure of any Protected Health Information retained after the termination of this Agreement, and limit any further uses and/or disclosures to the purposes that make the return or destruction of the Protected Health Information infeasible.

5. MISCELLANEOUS

5.1 **Survival**. The respective rights and obligations of Business Associate and the Covered Entity under Sections 2.1 and 3.1 solely with respect to Protected Health Information Business Associate retains in accordance with Section 4.2 because it is not feasible to return or destroy such Protected Health Information, shall survive termination or expiration of this Agreement. Further, Sections 4.2, 5.1, 5.2, 5.4, 5.5, 5.9, and 5.10 shall survive termination or expiration of this Agreement.

5.2 **Amendment**. Except as provided in Section 5.3, this Agreement may only be amended by a writing signed by the parties.

5.3 **Regulatory Amendment**. This Agreement shall be deemed automatically amended to the extent necessary to comply with changes in HIPAA, the Regulations, or HITECH.

5.4 **Non-Waiver**. The rights and remedies of the parties are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, and no single or partial exercise of any such right will preclude any other or further exercise of such right or the exercise of any other right.

5.5 **No Third-Party Beneficiaries**. The Agreement confers no enforceable legal rights or remedies on any individuals or entities other than the parties unless otherwise provided.

5.6 **Notices**. Any notice or other communication provided for by this Agreement must be in accordance with the terms of the Underlying Agreements.

5.7 **Interpretation**. Any ambiguity in the Agreement shall be resolved in favor of a meaning that permits the Covered Entity to comply with HIPAA, the Regulations, and HITECH.

5.8 **Governing Documents**. In the event of a conflict between any term or provision of this Agreement and the Underlying Agreements, this Agreement shall control to the extent that the subject matter of such conflict is the use or disclosure of PHI or Individual rights regarding PHI. If the subject matter of such conflict is not the use or disclosure of PHI or Individual rights regarding PHI, then the Underlying Agreements shall control.

5.9 **Governing Law, Dispute Resolution**. The Agreement will be governed by and interpreted under Illinois law. Notwithstanding anything to the contrary in Section 5.8 or otherwise, any dispute between the parties or any dispute arising directly or indirectly out of the Agreement will be addressed solely and exclusively in the manner set forth in the Underlying Agreements.

5.10 **Severability**. The Agreement must be interpreted in a way that if any provision is held invalid, the rest of the Agreement will remain in full affect unless the invalid provision would materially alter a party's interests or materially affect its ability to perform under the Agreement.

5.11 **Legal Compliance**. The Parties shall perform their respective duties and obligations under this Agreement in compliance with all applicable law, including, but not limited to, HIPAA, the HITECH Act, and Regulations promulgated thereunder. Any reference to a statute in this Agreement shall be deemed to be including its implementing regulations. Any reference to a statute or regulation in this Agreement means that statute or regulation as amended or supplemented from time to time and any corresponding provisions of successor statutes or regulations unless context requires otherwise.

5.12 **Signatures and Counterparts**. The Agreement may be executed by any form of signature authorized by law, including, without limitation, by electronic confirmation, process, or transmission. Each counterpart will be deemed an original copy of the Agreement and, when taken together, will be deemed to constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Effective Date.

BUSINESS ASSOCIATE:
ACT FRANCHISING CORPORATION

By: ______________________________
Name: ______________________________
Title: ______________________________

IF CORPORATION, LLC, OR PARTNERSHIP:
COVERED ENTITY:

____

By: ______________________________
Name: ______________________________
Title: ______________________________

IF INDIVIDUAL:
COVERED ENTITY:

____
Name: ______________________________

4937-2775-0945, v. 2

EXHIBIT I
RECORDS CUSTODIAL AGREEMENT

RECORDS CUSTODIAL AGREEMENT

This **RECORDS CUSTODIAL AGREEMENT** ("Agreement") is made effective as of ____________________, 20___ ("Effective Date"), by and between ACT FRANCHISING CORPORATION, an Illinois corporation ("Custodian"), and the following franchisee ("Franchisee"):

Name of Franchisee: ____

Form of Franchisee:
☐ Corporation formed in the state of ______________________
☐ Limited liability company formed in the state of ______________
☐ Partnership formed in the state of ______________________
☐ Individual residing in the state of ______________________

RECITALS

A. Custodian and Franchisee have entered into that certain Franchise Agreement, dated as of ____________________, 20___ (the "Franchise Agreement"), pursuant to which Franchisee has the right to operate an Autism Care Therapy Franchised Business (as defined therein).

B. Franchisee desires to ensure access to and proper care of the medical and other Records (as defined below) developed and maintained by Franchisee during the period it owned and operated the Franchised Business following the termination or expiration of the Franchise Agreement, on the terms and conditions provided in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Custodian and Franchisee hereby agree as follows:

1. **Term**. The term of this Agreement shall commence on the Effective Date and shall expire on the earlier of: (a) termination of this Agreement by Custodian at any time for any reason; or (b) the appointment by Franchisee of a third-party records custodian approved by Custodian in accordance with Section 19(d)(6) of the Franchise Agreement.

2. **Custody**. Custodian shall have the option, but not the obligation, to serve as custodian of the Records on the terms and conditions provided in this Agreement if Franchisee fails to designate a third-party records custodian for its Records upon termination or expiration of the Franchise Agreement, as required by the Franchise Agreement. For the avoidance of doubt, nothing herein obligates Custodian to take custody of the Records or to serve as custodian of the Records. If Custodian exercises its option, then effective immediately upon termination or expiration of the Franchise Agreement for any reason or such other date that Custodian exercises its option (the "Custody Date"), unless Franchisee appoints a third-party records custodian approved by Custodian in accordance with Section 19(d)(6) of the Franchise Agreement:

   a. Franchisee appoints Custodian to serve as custodian of the Records and transfers the Records to the care and custody of Custodian; and

   b. Custodian agrees to serve as the records custodian and shall store, preserve, and maintain such records in a commercially responsible and prudent manner and in compliance with all applicable state and federal laws and regulations during the Retention Period.

For purposes of this Agreement, "Records" shall mean all records relating to the health care provided to a client (whether in hard copy or electronic format), case records and notes, including therapy notes, case histories, personal and regular files, billing and payment information, client demographics or data located at the Franchised Business, electronically, or offsite as of the Custody Date concerning clients of the Franchised Business, or clients consulted, interviewed, or treated and cared for by the Franchised Business for the time periods prior to the Custody Date.

3. **Records Custodian Expenses**. Franchisee agrees to reimburse Custodian for all reasonable costs and expenses incurred by Custodian in connection with serving as custodian of the Records hereunder, due within ten (10) days of receipt of invoice from Custodian. All fees or payments of any type whatsoever owed by Franchisee to Custodian that are not received when due will be subject to the imposition of late payment charges equal to the maximum rate permitted by law, not to exceed one and one-half percent (1 1/2%) per month.

4. **Retention of Medical Records**. If Custodian exercises its option under Section 2, Custodian agrees to store, preserve, and maintain the Records for a period of seven (7) years following the Custody Date or such longer period as may be required by applicable state or federal law or regulation, or until this Agreement is terminated, whichever is sooner (the "Retention Period").

5. **Access to Medical Records**. If Custodian exercises its option under Section 2, Custodian agrees to grant clients reasonable access to the Records during the Retention Period and to provide a copy of any Record requested by a client as soon as practicable from the receipt of a written request. Franchisee expressly agrees that Custodian may release any Records to clients upon request or as otherwise required by applicable law, without notice to Franchisee. Franchisee acknowledges and agrees that following termination or expiration of the Franchise Agreement, Franchisee shall no longer have access to the Records unless required by applicable state or federal law or regulation.

6. **HIPAA**. Solely in connection with serving as Records custodian under this Agreement:

a. Custodian acknowledges that the Records being transferred hereunder are confidential. Notwithstanding anything contained herein to the contrary, Custodian shall use commercially reasonable efforts to comply with all provisions of state and federal law and regulations with respect to the confidentiality of such Records, including, but not limited to, the Health Information Technology for Economic and Clinical Health Act of 2009 (the "HITECH Act") and the Administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. Section 1320 et seq. ("HIPAA") and any current and future regulations promulgated under either the HITECH Act or HIPAA, including, without limitation the federal privacy regulations contained in 45 C.F.R. Parts 160 and 164, the federal security standards contained in 45 C.F.R. Parts 160, 162 and 164, and the federal standards for electronic transactions contained in 45 C.F.R. Parts 160 and 162, all as may be amended from time to time and all collectively referred to herein as "HIPAA Requirements."

b. Custodian and Franchisee agree that Custodian is a "business associate" of Franchisee under this Agreement, as that term is defined under HIPAA, and the parties acknowledge and agree that they have entered into a Business Associate Agreement and incorporated herein by reference.

7. **Indemnification**. Franchisee agrees to indemnify Custodian against, and to reimburse Custodian for, all obligations and damages for which Custodian is liable, and for all costs reasonably incurred by Custodian in the defense of any such claim brought against it, or in any such action in which it is named as a party, arising out of (a) any act or omission of Franchisee, its personnel or contractors, or as a result of any activities occurring at, by, or through the Franchised Business, including the Franchised Business, the exercise of medical judgment or care, the sale or provision of any products or services, the Records, and the release of or access to any Records; and (b) the storage, access, and release of Records by Custodian under this Agreement. Such indemnification shall include reasonable attorneys' fees, costs of investigation or proof of facts, court costs, other litigation expenses, and travel and living expenses. Custodian shall have the right to defend any such claim against it.

8. **Notices**. All notices permitted or required to be delivered pursuant to this Agreement shall be deemed so delivered:

a. when delivered by hand;

b. three (3) days after placed in the United States mail by registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after placed in the hands of an overnight courier, for next day delivery, and in either case addressed to the party to be notified at its most current principal business address of which the notifying party has been notified (which, in the case of Franchisee, includes the address of the Franchised Business); or

c. one (1) business day after being sent via email to the party to be notified as follows: if to Custodian, to franchising@autismcaretherapy.com and if to Franchisee, the Custodian-provided email address for the Franchised Business.

9. **Construction**. Custodian and Franchisee agree that if any provision of this Agreement is capable of two (2) constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the provision shall have the meaning which renders it valid and enforceable. The language of each provision of this Agreement shall be construed simply according to its fair meaning and not strictly against Custodian or Franchisee.

10. **Invalid Provisions**. It is the desire and intent of Custodian and Franchisee that the provisions of this Agreement be enforced to the fullest extent possible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any provision of this Agreement is adjudicated to be invalid or unenforceable, such adjudication is to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made. All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid and unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. Custodian and Franchisee shall substitute a valid and enforceable provision for any specification, standard, operating procedure, rule, or other obligation of Franchisee or Custodian which is determined to be invalid or unenforceable and is not waived by the other.

11. **Waiver**. Custodian and Franchisee, by written instrument signed by both parties, may unilaterally waive any obligation of or restriction upon the other under this Agreement. No acceptance by Custodian of any payment by Franchisee and no failure, refusal, or neglect of Custodian or Franchisee to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder or with any specification, standard, or operating procedure shall constitute a waiver of any provision of this Agreement or any specification, standard, or operating procedure; provided, however, if a party fails to notify the other in writing of an alleged misrepresentation, violation of law, deficiency, or breach of this Agreement within one (1) year from the date such party has knowledge of, believes, determines, or is of the opinion that there has been a misrepresentation, violation of law, deficiency, or breach by the other party, then the alleged misrepresentation, violation of law, deficiency, or breach will be considered waived, but such waiver of any prior deficiency or breach of any provision of this Agreement shall not affect the obligation of the party to comply with the obligation or provision in the future; provided, however, that (a) this waiver will not apply to Franchisee's underpayment of any fees Franchisee owes Custodian, and (b) the foregoing shall not otherwise extend or lengthen any statute of limitations provided by applicable law

12. **Assignment**. Franchisee shall not assign, delegate, or subcontract this Agreement or any interest or obligation herein. Custodian may assign, delegate, or subcontract this Agreement or any interest or obligation herein, including the Records or the obligation to serve as custodian, to any third party without the consent of Franchisee or notice to Franchisee, and upon such assignment, delegation, or subcontract, Custodian shall be relieved of all duties and obligations to Franchisee under this Agreement. This Agreement shall be binding upon the parties, as well as their respective successors and (to the extent permitted herein) assigns.

13. **Governing Law; Enforcement**. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Any disputes related to this Agreement shall be subject to

the enforcement provisions contained in Section 20 of the Franchise Agreement, which is incorporated herein by reference and which survive any termination or expiration of the Franchise Agreement.

14. **Entire Agreement; Amendment**. This Agreement, together with the Franchise Agreement and Business Associate Agreement, contains the entire agreement of the parties and supersedes all prior agreements, contracts, and understandings, whether written or otherwise, between the parties relating to the subject matter hereof. Neither this Agreement nor any provision hereof may be amended or modified unless made in writing and signed by Franchisee and Custodian.

15. **Counterparts**. This Addendum may be executed in any number of counterparts, and may be executed and delivered via facsimile, email, or electronic process, confirmation, or transmission, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Custodian and Franchisee execute this Agreement effective as of the date hereof.

CUSTODIAN:
ACT FRANCHISING CORPORATION

By: ______________________________
Name: ______________________________
Title: ______________________________

IF CORPORATION, LLC, OR PARTNERSHIP:
FRANCHISEE:

____

By: ______________________________
Name: ______________________________
Title: ______________________________

IF INDIVIDUAL:
FRANCHISEE:

____
Name: ______________________________

4900-7044-8929, v. 2

EXHIBIT J
ELECTRONIC TRANSFER OF FUNDS AUTHORIZATION

ELECTRONIC TRANSFER OF FUNDS AUTHORIZATION

The undersigned ("Franchisee") acknowledges that on or about ________________ Franchisee and ACT Franchising Corporation ("Franchisor") entered into a Franchise Agreement ("Agreement") for the operation of an Autism Care Therapy franchise.

To enable the Franchisor to receive automatic payments pursuant to the Agreement, Franchisee authorizes ("Authorization") Franchisor to withdraw funds from and otherwise initiate debit entries to Franchisee's checking account, indicated below, and the depository named below ("Depository"), to debit the same to such account.

Depository Name: ____
Branch: ____
City State and Zip: ____
Transit/ABA#: ____
Bank Account Name: ____
Bank Account Number: ____
Tax ID for Account: ____

This Authorization is to remain in full force and effect until the underlying obligations of the Agreement have been satisfied in full or expressly released in writing by Franchisor. Franchisee expressly agrees that this Authorization will apply to any and all depositories and bank accounts that Franchisee opens during the term of the Agreement and any renewal terms. Without limiting the above, Franchisee acknowledges and agrees that if Franchisee closes any bank account, Franchisee will:

1) immediately notify Franchisor in writing;
2) open or otherwise establish another bank account;
3) execute and deliver to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account/depository by ACH debiting or other electronic means.

Franchisee expressly acknowledges and agrees that this Authorization will be the only written authorization needed from Franchisee in order to initiate debit entries/ACH debit originations to Franchisee's bank account(s) established with any depository in the future.

Name of Franchisee(s): ____
____

Signature: Sample - Not for Execution

Print Name: __________________________
Title: __________________________
Date: __________________________

Notice to Franchisee

1) ATTACH ONE VOIDED CHECK HERE.
2) ENSURE TO COMPLETE ALL BLANK SPACES ABOVE.

RETURN **2** ORIGINAL COPIES OF THIS FORM TO FRANCHISOR IMMEDIATELY

EXHIBIT K
FRANCHISEE QUESTIONNAIRE

FRANCHISE QUESTIONNAIRE

If you are a resident of California or your franchise is located in California, you are not required to sign this Questionnaire. If any California franchisee completes this Questionnaire, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Questionnaire.

This Questionnaire does not apply to Hawaii or Maryland franchisees. Do not sign this Questionnaire if you are a resident of Hawaii or Maryland or the franchise is to be operated in Hawaii or Maryland.

The purpose of this **FRANCHISE QUESTIONNAIRE** is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate, or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Have you received and personally reviewed our Franchise Agreement and any attachments to them?

Yes: ☐ **No**: ☐

2. Have you received and personally reviewed our Franchise Disclosure Document ("FDD")?

Yes: ☐ **No**: ☐

3. Did you sign a Receipt for the FDD indicating the date you received it?

Yes: ☐ **No**: ☐

4. Have you discussed the benefits and risks of purchasing an Autism Care Therapy franchise (the "Franchised Business") with an attorney, accountant, or other professional advisor?

Yes: ☐ **No**: ☐

If "No," do you wish to have more time to do so?

Yes: ☐ **No**: ☐

5. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits, or operating costs of an Autism Care Therapy franchise (other than the information contained in Item 19 of the FDD)?

Yes: ☐ **No**: ☐

6. Has any employee or other person speaking on our behalf made any statement (other than the information contained in Item 19 of the FDD), or any promise regarding the amount of money you may earn in operating an Autism Care Therapy franchise?

Yes: ☐ **No**: ☐

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating an Autism Care Therapy franchise?

Yes: ☐ **No**: ☐

8. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the training or support service or other assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes: ☐ **No**: ☐

9. Have you paid any money to us concerning the purchase of your Autism Care Therapy franchise prior to today?

Yes: ☐ **No**: ☐

10. If you answered "Yes" to any of Questions 5 to 9, please provide a full explanation of each "Yes" answer in the following blank lines. Attach additional pages, if necessary, and refer to them below.

____
____
____

11. I signed the Franchise Agreement and/or Addendum (if any) on ________________, and acknowledge that no agreement with us is effective until signed and dated by ACT Franchising Corporation.

Your responses to these questions are important to us and we will rely on them.

This questionnaire does not waive any liability the Franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

By signing below, you are representing that you have responded truthfully to the above questions.

FRANCHISEE APPLICANT:

By: ________________________________
Name: ________________________________

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:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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.

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If ACT Franchising Corporation offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Michigan requires that ACT Franchising Corporation gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or payment of any consideration, whichever occurs first. New York requires that ACT Franchising Corporation gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. If ACT Franchising Corporation 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, DC 20580, and the appropriate state agency identified on Exhibit B.

The franchisor is ACT Franchising Corporation, 44 West Roosevelt Road, Lombard, Illinois 60148. Its telephone number is (855) 5-AUTISM. The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Shaden Kassar, 44 West Roosevelt Road, Lombard, Illinois 60148, (855) 5-AUTISM
Christopher Pena, 44 West Roosevelt Road, Lombard, Illinois 60148, (855) 5-AUTISM
____

Issuance Date: August 11, 2025

ACT Franchising Corporation authorizes the respective parties identified on Exhibit B to receive service of process for us in the particular state.

I have received a Disclosure Document with an Issuance Date of August 11, 2025, that included the following Exhibits:

Exhibit A	State Specific Addenda to Disclosure Document
Exhibit B	List of State Agencies and Agents for Service of Process
Exhibit C	Table of Contents of Operations Manual
Exhibit D	List of ACT Businesses
Exhibit E	Financial Statements
Exhibit F	Franchise Agreement, Statement of Ownership and Management, Guaranty, Transfer Form, General Release, Lease Rider, and State Specific Addenda to Franchise Agreement
Exhibit G	[Intentionally omitted]
Exhibit H	Business Associate Agreement
Exhibit I	Records Custodial Agreement
Exhibit J	Electronic Transfer of Funds Authorization
Exhibit K	Franchisee Questionnaire

Indicate the date on which you received this Disclosure Document, sign, indicate the date you signed this Receipt, and promptly return one completed copy of the Receipt to ACT Franchising Corporation, at 44 West Roosevelt Road, Lombard, Illinois 60148. Keep the second copy of the Receipt for your records.

____________________	____________________
Date Disclosure Document Received	Prospective Franchisee’s Signature
____________________	____________________
Date Receipt Signed	Print Name
	____________________
	____________________
	Address

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____________________ Date Disclosure Document Received	____________________ Prospective Franchisee's Signature
____________________ Date Receipt Signed	____________________ Print Name
	____________________ ____________________ Address

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