FRANCHISE DISCLOSURE DOCUMENT

GRACE INTEGRATED FRANCHISING LLC
An Illinois Limited Liability Company
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GRACE INTEGRATED™

As a Grace Integrated franchisee, you will operate a behavioral healthcare outpatient clinic providing services to adults and children.

The total investment necessary to begin operation of a Grace Integrated franchised business ranges from $167,960 to $317,890. This includes between $55,180 to $62,860 that must be paid to the franchisor or its affiliates.

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 Julie McDevitt at Grace Integrated Franchising LLC, 414 Plaza Drive, Westmont, Illinois 60559, (708) 512 – 5555, or info@gracefranchises.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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 30, 2026.

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 C.
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 D 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 Grace Integrated 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 a Grace Integrated franchisee?	Item 20 or Exhibit C 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 A.

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. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

4. **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 Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

5. **Unregistered Trademark.** The primary logo that you will use in your business is not federally registered. If the Franchisor's ability to use this trademark in your area is challenged, you may have to identify your business and its products/services by a different name. This change can be expensive and may reduce brand recognition of the products and services you offer.

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

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

The franchisor is Grace Integrated Franchising LLC. For ease of reference, Grace Integrated Franchising LLC will be referred to as "we", or "us" in this disclosure document. We will refer to the person who buys the franchise as "you" throughout the disclosure document.

Franchisor Company. Grace Integrated Franchising LLC is an Illinois limited liability company formed on January 30, 2025. Our principal business address is 414 Plaza Drive, Suite 301, Westmont, Illinois 60559. We do business under our company name, Grace Integrated Franchising LLC, and our trademark, Grace Integrated. We have no predecessor or parent as defined in the disclosure document guidelines. Grace Integrated LLC is our affiliate and has a principal business address of 414 Plaza Drive, Suite 301, Westmont, Illinois 60559 ("Affiliate"); Grace Integrated LLC has owned and operated five Grace Integrated businesses, starting in January 2017 and licenses the Grace Integrated trademark to us. We have no other affiliate, and no affiliate offers franchises in any line of business or provides products or services to franchisees of ours. If we have an agent for service of process in your state, we disclose that agent in Exhibit B.

The Business of the Franchise. We franchise a behavioral healthcare outpatient clinic providing services to adults and children by Licensed Providers (as hereinafter defined) under the "Grace Integrated" trade name and trade and service marks (the "Marks") using certain procedures, techniques, business methods, business forms, business policies and a body of knowledge pertaining to the establishment and operation of the franchised businesses (the "System") and all collectively known as the "Franchised Business". The franchise offered is for the right to operate a Grace Integrated Franchised Business using the Marks and the System at any location permitted by law, whether in-office or online, remote, or telehealth sessions, as we may direct. You must sign our standard franchise agreement (the "Franchise Agreement") when you purchase a franchise. 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 individuals involved in your Franchise Business are licensed to provide.

We offer two models of the Franchised Business, each of which must be operated under the continuous supervision of a Clinic Director and an Operating Principal (each as hereinafter defined) and in each of which only Licensed Providers may provide any regulated services and products (*e.g.* mental health counseling, behavioral healthcare, and therapy):

"Licensed Provider Business" model: If you are licensed as a Licensed Provider (as hereinafter defined) permitted to own and operate the Franchised Business under applicable law, you may own a Franchised Business and provide services directly as permitted by applicable law; or

"Management Business" model: If you are not properly licensed or otherwise permitted to provide the necessary medical services under applicable law, then under the Management Business model for the ownership, development, and operation of a Franchised Business, you must develop and operate a management business (the "Management Business") that provides management, administrative, marketing, technology, and facility-based services, but not medically regulated products, services, advice, or judgment) (the "Management Services") to a "Practice Entity" (as hereinafter defined) that is directly operated, and potentially owned, by one or more Licensed Providers (the "Management Business" model). You must also enter into a management services agreement with a Practice Entity that Company approves to provide the Practice Entity and its Licensed Providers the Management Services (the "Management Agreement") and grant them a sublicense to use the System and Marks at or through the Franchised Business. All owners of the Management Business and the Practice Entity must sign the Management Agreement directly as well as each's spouse (if any). The Grace Integrated behavioral healthcare outpatient clinic that is owned and operated by the Practice Entity and managed by you pursuant to the Management Agreement and using the System and Marks may be referred to as the clinic and/or as the Franchised Business.

You, as the franchisee under the Management Business model, will be responsible for construction and

build-out of the Franchised Business for use by you, the Practice Entity and its Licensed Providers and ensuring that the Practice Entity and its Licensed Providers operate the Franchised Business in conformance with our System, specifications, and standards, but only the Licensed Providers are permitted to exercise professional or medical judgment and to offer outpatient behavioral healthcare services and/or other regulated products and services. You must hire an attorney to prepare the Management Agreement and to independently evaluate, review, and ensure that your Management Agreement complies with all applicable local, state, and federal laws. The Management Agreement must be approved by us before you open your Franchised Business, and must remain in effect for the entire term of your Franchise Agreement. The Management Agreement will also grant the Practice Entity certain rights to use the Marks at or through the Franchised Business.

A "Licensed Provider" means, as applicable: a counselor or therapist licensed or otherwise permitted to provide outpatient counseling and behavioral healthcare products and services, directly or indirectly, at or through your Franchised Business under applicable local, state, and federal laws and regulations (whether working part-time or full-time, whether providing services for a full or partial month, and whether retained as an employee or independent contractor).

The "Clinic Director" shall have oversight responsibilities over aspects of the Franchised Business that involve the provision of health or medical products and services and the exercise of medical judgment, and is an individual who(m) (i) meets all of our requirements for a Clinic Director in our Operations Manual and all legal requirements, (ii) is a "Licensed Provider," (iii) has successfully completed all training we require including payment for such training at the rates established from time to time, and (iv) we have pre-approved to be the Clinic Director. In a Licensed Provider Business model franchise, you likely are your own Clinic Director, whereas in a Management Business model franchise, you generally would not be the Clinic Director and you must engage a qualified Clinic Director to serve in this role for the Franchised Business.

A "Practice Entity" means 1 or more Licensed Providers, working together, typically as a professional corporation, professional limited liability company, or other professional entity, who are licensed to offer and provide outpatient counseling, behavioral healthcare, and therapy products and services under applicable local, state, and federal laws and regulations.

The Franchised Business may be converted from an existing clinic not operated under the Marks or System ("Conversion Clinic") or may be a new startup Franchised Business ("New Clinic"); all requirements and obligations upon you and the Franchised Business apply regardless of if the Franchised Business is converted or newly established.

Competition. Your competitors would include independent counseling and behavioral healthcare and therapy clinics (*e.g.* solo providers, group practices, regional or national chains, and/or franchised outpatient counseling and therapy providers), community organizations, hospitals, governmental agencies, and other Grace Integrated businesses. The market for behavioral healthcare outpatient services offered to adults and children is competitive and well established. Sales of mental health services generally are not seasonal, but may be slower in January, during the December holiday season, and in the summer months when patients take time off for vacation.

Operating Units. We began offering franchises for sale in March, 2025. We have not offered franchises in other lines of business. We have no other business activities. We have not operated a Grace Integrated business; however, companies related to us by common ownership and our owners have operated Grace Integrated businesses substantially similar to the Franchised Business you will operate since January 2017. We focus on franchising independently owned behavioral healthcare outpatient clinics providing services to adults and children and providing franchise support to franchisees.

Regulations. You are responsible for operating in full compliance with all laws and regulations that apply to your Franchised Business and any Grace Integrated businesses that you own, operate and/or manage. The medical industry is heavily regulated. In addition to laws and regulations that apply to businesses generally, your Franchised Business is subject to many federal, state and local laws and regulations and guidelines governing healthcare providers, mental health, sanitation, safety and privacy laws that apply to the healthcare industry. You must be knowledgeable on federal, state and local health and consumer protection laws and other laws and regulations including without limitation those concerning the corporate practice of medicine, accreditation, credentialing, offering medical services, privacy and security laws and regulations (*e.g.* HIPAA (as hereinafter defined) and other state and federal privacy and security laws, laws governing medical and behavioral health services, laws around fee-splitting, self-referral restrictions (including the federal "Stark Law" and similar state laws), anti-kickback laws (including the Federal Medicare Anti-Kickback Statute and similar state laws), government regulations relating to occupational hazards, medical payment fraud and abuse, use of medical devices, advertising of medical services, insurance (including health, workers' compensation and unemployment coverages), loyalty and gift card programs, withholding and payment of federal and state income taxes, social security taxes and sales and service taxes, payment systems for medical benefits available to individuals through insurance and government resources (including Medicare and Medicaid and the Medicare Anti-Assignment Rule prohibiting assignment of payments from federal health programs to anyone other than the provider), and access to your Franchised Business by persons with disabilities (under the federal Americans with Disabilities Act and state law). While not all of these laws and regulations will be applicable to all Grace Integrated businesses, depending on location and services provided, it is important to be aware of and compliant with the regulatory framework.

You must obtain at your expense, and keep in force, any and all permits, accreditations, licenses and/or other consents required for the leasing, construction and/or operation of the Franchised Business. You must comply not only with the terms of the Franchise Agreement, but also with various accreditation organizations, all of the laws and regulations (the "Industry Regulations") that apply to System services and Franchised Businesses, and comply with all codes of professional and ethical conduct issued by any professional organizations we designate, and any successor organizations (the "Professional Standards"). The term Industry Regulations may include (among other things) the 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. In addition, you must operate the Franchised Business in accordance with our Operations Manual which may be amended from time to time as a result of experience, changes in the law or changes in the marketplace. You must complete all requirements as we may periodically specify in the Manuals with respect to background checks on each Licensed Provider and any other individuals employed or contracted by you before any such individual may provide services to clients of the Franchised Business. You should also be aware of federal, state and local labor regulations, including minimum age, minimum wage, workers compensation, equal protection and workplace safety laws. You should investigate local zoning rules because they may limit where you can locate your Franchised Business and may affect design features, including the building facade and signs.

You agree that operation of the Franchised Business requires you and the Franchised Business to comply with all applicable laws and regulations including, without limitation, HIPAA. "HIPAA" as used herein means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder, all as may be amended from time to time. The Franchised Business is likely to be a Covered Entity as defined in HIPAA.

HIPAA imposes requirements with respect to the privacy and security of "protected health information" as defined in HIPAA and sometimes referred to as "PHI." One of those requirements limits the conditions under which you and the Franchised Business may disclose PHI to a third party (a "Business Associate" as defined in HIPAA) that performs certain services on behalf of the Franchised Business. HIPAA also limits a Business Associate's use or retention of any PHI it receives from the Franchised Business as a Covered Entity. HIPAA requires each Covered Entity and its Business Associate to enter into a "Business Associate Agreement" or "BAA" that sets forth the HIPAA requirements with respect to PHI.

We are not your Business Associate and we are not signing a Business Associate Agreement with you or the Franchised Business at this time. Therefore, neither you nor the and the Franchised Business shall disclose any PHI to us or permit us to have access to any PHI unless and until otherwise agreed in writing by you, the Franchised Business, and us, including execution of a BAA as described below.

If in the future circumstances change and if we are willing to serve as a Business Associate, a BAA must be signed before any PHI may be disclosed or made accessible to us. We may then provide a form of BAA, in the Operations Manual or otherwise, to sign. In the event that you and/or the Franchised Business suggest use of its own form of BAA, the Franchisee and the Franchised Business shall promptly reimburse the Company for its legal fees incurred in having its counsel review and negotiate the terms of such alternate BAA and related matters.

You must not employ a person in a position that requires specialized training, licensure, or certification unless properly and currently trained, licensed, and certified by all applicable authorities and a copy of the current, applicable license or permit is in your business files and displayed as may be required. If you operate in a jurisdiction that regulates the corporate practice of medicine and you are not a Licensed Provider (or certain other licensed medical professionals in certain instances), you may be prohibited from employing a Licensed Provider directly or from providing behavioral healthcare services directly to the public unless you are a Licensed Provider or certain other licensed medical professionals in certain instances. Instead, you may need to enter into a Management Agreement with a Licensed Provider to provide such services to the Franchised Business (or via their professional corporation/limited liability company). If you are located in such a state, you are responsible for preparing a Management Agreement that complies with your state's laws.

You should investigate these laws and regulations. We strongly advise you to consult with an attorney regarding the laws and regulations that may apply to your Franchised Business before signing a Franchise Agreement with us, especially regarding permitting, licensure, credentialing, accreditation, any need for a Management Agreement, and other requirements, including of non-government actors like insurance programs.

ITEM 2. BUSINESS EXPERIENCE

Manager and Clinical Director: Julie McDevitt

Julie McDevitt has been a Manager and the Clinical Director of Grace Integrated Franchising LLC in Westmont, Illinois since its inception in January 2025. Ms. McDevitt has been a Manager of Guided Discovery Mental Health PLLC, doing business as Grace Integrated Elmhurst in Elmhurst, Illinois since January 2025 to the present. Ms. McDevitt has been a Manager and Clinic Director of Grace Integrated PLLC in Westmont, Illinois which owns and operates Grace Integrated clinics providing behavioral healthcare services substantially similar to those offered by the Franchised Business since its inception in January 2017 to the present. Ms. McDevitt has been President and Secretary of Grace Integrated Space Inc. which operates a commercial office business in Westmont, Illinois since its inception in November 2016 to the present.

Manager and Chief Executive Officer (CEO): Christopher McDevitt

Chris McDevitt has been a Manager and the CEO of Grace Integrated Franchising LLC in Westmont, Illinois since its inception in January 2025. Mr. McDevitt has been a Practice Manager of Grace Integrated PLLC in Westmont, Illinois, which owns and operates Grace Integrated clinics providing behavioral healthcare services businesses substantially similar to those offered by the Franchised Business since its inception in January 2017 to the present. Mr. McDevitt has been a manager for Grace Integrated Space Inc., which operates a commercial office business in Westmont, Illinois since its inception in November 2016 to the present.

Franchise Coordinator: Jennifer Rocco

Jennifer Rocco has been Franchise Coordinator of Grace Integrated Franchising LLC in Westmont, Illinois since its inception in January 2025. Ms. Rocco is HR Manager of (and has held other roles with) Grace Integrated PLLC since October 2018 to the present, in Westmont, Illinois, which owns and operates Grace Integrated clinics providing behavioral healthcare services substantially similar to those offered by the Franchised Business. Ms. Rocco has been a Manager of Guided Discovery Mental Health PLLC, doing business as Grace Integrated Elmhurst in Elmhurst, Illinois since March 2024 to the present.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5. INITIAL FEES

The initial franchise fee is $55,000. It is paid to us as a lump sum upon signing the Franchise Agreement. For the state of Illinois, the payments for all initial franchise fees shall be deferred until Franchisor has met its initial obligations to franchisee and franchisee has commenced doing business; the Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

The required monthly Technology Fee is due beginning when you sign the Franchise Agreement. We estimate that you will incur the Technology Fee (currently $60 per month) due to us before you open for between three to six months, with an estimated total amount ranging from $180 to $360 for this period. The Technology Fee due before you open is paid to us as $60 when you sign the Franchise Agreement and thereafter $60 per month (or our then-current amount) by the tenth day of each month up to and including the month you open for business to the public.

We may require you to pay us $2,500 to receive our support and guidance related to the Franchised Business' premises décor, aesthetics, and space planning (the "Opening Package Fee"). If due, the Opening Package Fee is paid to us as a lump sum upon signing the Franchise Agreement.

If you operate the Franchised Business as a Management Business model, you must prepare a Management Agreement to be signed by the Practice Entity and its Licensed Providers. We require that we review and approve the Management Agreement before it is signed. You would pay us a Management Agreement Review Fee of approximately $2,000 to $5,000 prior to your opening for business for this review and approval, of which $2,000 is paid when you sign the Franchise Agreement.

None of the fees in this Item are refundable. We commenced franchising in 2025. No initial franchise fees were received in 2025.

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ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks (See Notes 1, 12, 13)
Royalty Fee	From Month 0 through 3, $0 per Licensed Provider per month. From Month 4 through 6, $250 per Licensed Provider per month. From Month 7 and thereafter of operations, $500 per Licensed Provider per month.	Payable monthly.	---
Brand Fund Contribution	From Month 0 through 3, $0 per Licensed Provider per month. From Month 4 through 6, $100 per Licensed Provider per month. From Month 7 and thereafter of operations, $200 per Licensed Provider per month.	Payable monthly.	---
Local Advertising and Promotions	At least 1% of Gross Sales.	Must be spent quarterly and accounted for by you.	See Note 8.
Technology Fee	$60 per month.	Payable monthly from when you sign the Franchise Agreement.	We may increase this in the future at our sole discretion. You may have additional technology costs.
Ongoing Training	Currently $200 per hour plus cost of travel, lodging, meals, and other expenses.	As incurred.	See Note 2
Training of Manager, Clinic Director, Operating Principal, Practice Manager, Scheduler, Biller, or any other manager	Currently $2,500 per person plus any travel, lodging, meals, and related expenses.	As incurred.	See Note 3.
Convention or National Business Meeting	Currently $0 per person per day plus any travel, lodging, payroll, and other expenses.	As incurred.	---
Additional Assistance	Additional assistance is currently $200 per hour, plus cost of travel, lodging,	As incurred.	See Note 4.

Type of Fee	Amount	Due Date	Remarks (See Notes 1, 12, 13)
	meals, and other expenses if we accept your request to conduct the training at your location.		
Transfer Fee	If the transferee is not an existing Grace Integrated franchisee, 75% of the then-current initial franchise fee for a non-discounted first franchise, and in such case $5,000 to be paid nonrefundable when you submit the transfer for approval and the balance is due upon approval of the transfer. If the transferee is an existing Grace Integrated franchisee, 50% of the then-current initial franchise fee for a non-discounted first franchise, and in such case $5,000 to be paid nonrefundable when you submit the transfer for approval and the balance is due upon approval of the transfer. If shares or other ownership rights of a business entity are being exchanged between owners of an entity or if new shareholder(s) or other owners of a business entity are to be added and such exchange or addition does not change the majority direct or beneficial owner, then $3,500, and the total amount will be paid when you submit the transfer for approval.	At time of transfer.	If you transfer your franchise to your corporation or limited liability company or partnership, we charge for our legal expenses and related costs but no transfer fee is due. In addition, for any supervision or assistance by our personnel at your location, you shall pay us the then-current daily fee for our personnel, plus other actual expenses, including without limitation all travel, lodging, meals and other expenses. In addition, you must pay any third-party broker fees that are due in connection with the proposed transfer.
Renewal Fee	25% of the then-current initial franchise fee for a non-discounted first franchise.	At time of renewal.	---
Management Agreement Review	$2,000 to $5,000	As incurred.	During the term of the Agreement, if you desire to

Type of Fee	Amount	Due Date	Remarks (See Notes 1, 12, 13)
Fee			amend, modify, or terminate an existing Management Agreement, or if you desire to adopt a new Management Agreement, you shall pay us $600 per hour or our then-current Management Agreement Review Fee, which may be increased in our sole discretion.
Audit	Cost of inspection or audit and any travel, lodging, and other expenses; currently estimated at $5,000.	As incurred.	Payable only if you fail to furnish reports or records or if the audit reveals you have understated your Gross Sales by more than 2% or the number of Licensed Providers working in your Franchised Business in any month.
Interest	2% per month.	As incurred.	See Note 11.
Late Fee	The greater of $250 or the amount stated in the Operations Manual.	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, or for any other violation of the Franchise Agreement.
Lease Renewal Fee	Reimburse our costs. Currently does not exceed $3,500.	As incurred.	See Item 11.
Unauthorized Product or Service Fee	The greater of $250 per day per use, or the amount stated in the Operations Manual.	As incurred.	Due when you sell, offer for sale or use an unauthorized product or service.
Relocation Fee	10% of the then-current initial franchise fee for a non-discounted first franchise.	60 days prior to 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 shall pay us the then-current daily fee for our personnel, plus other actual expenses, including all travel, lodging, meals and other expenses.
Ad-Coverage Area Advertising	None currently.	As incurred.	As a majority of the Grace Integrated business locations in your ad-coverage area

Type of Fee	Amount	Due Date	Remarks (See Notes 1, 12, 13)
			agree to participate in. See Note 5 and Item 11.
Regional Advisory Council Assessments	None currently.	As incurred.	The Regional Advisory Council would choose its own assessments.
Software	None currently.	As incurred.	See Item 11; Not Yet Implemented.
Evaluation of Suppliers	Expected not to exceed $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.
Mystery Shopper Fee.	Currently likely to be up to $250 per mystery shop. None currently.	As incurred.	To pay the cost of third-party mystery shopper program.
Third-Party Quality Assurance Audit Fee	Currently likely to be up to $250 per quality assurance audit. None currently.	As incurred.	To pay the cost of the third-party quality assurance audits.
Customer Servicing Fee	All costs incurred by us.	As incurred.	To pay the cost incurred by us in servicing and satisfying your customer.
Tax Reimbursement	Amount of taxes plus 15% administrative fee.	As incurred.	See Note 6.
Insurance Reimbursement	Cost of premium plus 15% service charge	As incurred.	See Note 7.
Referral Fee	$25,000	At closing.	See Note 9.
Management Fee	Currently the greater of $500 per day or 10% of Gross Sales, plus actual expenses, including without limitation all travel, lodging, meals, and other expenses.	As incurred.	Payable during period that our appointed manager manages the Franchised Business upon your default, death, or disability.
Fines for Non-Compliance with the Operations Manual	Greater of $150 per incident or per day, whichever is applicable, or as stated in the Operations Manual.	As incurred.	---
Costs and Attorneys' Fees	Actual Costs.	As incurred.	Payable upon your failure to comply with the Franchise Agreement.
Indemnification	Actual Costs.	As incurred.	You have to reimburse us if we are held liable for claims arising from your operations.
Liquidated Damages	Calculation of the remaining royalty fees and brand fund contributions due for the balance of the term.	As incurred.	See Note 10.
Online Media	None currently.	As incurred.	You agree to pay all amounts

Type of Fee	Amount	Due Date	Remarks (See Notes 1, 12, 13)
			due to us or any designated vendor related to establishing and maintaining its Franchise System Website and/or other online media (*e.g.* establishing online booking or reservations platform).
System Modifications	All actual costs and expenses associated with system modifications.	As incurred.	If we make changes to the System, you must adapt the Franchised Business to conform to the changes. Examples include new equipment, software, or construction materials. Amounts may be due to us or a third-party supplier.
Call Center Fees	Currently $0.	To be determined.	We reserve the right to operate or engage a third-party to operate a call center for the purpose of scheduling appointments for patients. If we or a third-party operate a call center, we may designate that participation in the call center is mandatory for all Grace Integrated Franchised Businesses. We may increase the Call Center Fee in our sole discretion.

(1) The months referenced are calculated beginning when the Franchisee opens for business to the public, which is agreed to be the start of month 0, and months shall be counted as a full month whether actually full or partial; *e.g.* a Franchised Business opening on May 22 would have May 22-31 as its "Month 0" and June 1-30 as its "Month 1." For a Licensed Provider starting work mid-month, the first month when Royalty Fees and other amounts related to their work begin is the calendar month in which they commence work, whether full or partial, and the month in which they separate is the last month related to which the Royalty Fees would be due associated with that Licensed Provider; *e.g.* the Franchised Business would include a Licensed Provider commencing or stopping work on August 3 or August 19 in the same monthly "per Licensed Provider per month" calculation.

"Gross Sales" means all billed sales or revenues, derived directly or indirectly from the Franchised Business, including on-premises sales and monies derived at or away from the Franchised Business, whether from cash, check, credit and debit card, third-party payment related to a customer of the Franchised Business (e.g. insurance payment or reimbursement), trade credit or credit transactions, including business interruption insurance proceeds and service charges in lieu of gratuity, but excluding (i) sales taxes collected from customers and paid to the appropriate taxing authority and (ii) the amount of all coupons and/or discounts applied at the Franchised Business (but only if the coupons and discounts have been previously approved by us as provided in the Franchise Agreement and only if such coupons

and discounts have been included in Gross Sales). In the event of any legal reason(s) why a percentage-based fee or other fees may not be used with the Franchised Business, Franchisee agrees to pay the Royalty Fee and/or other fees Franchisor establishes in the future in its sole discretion in lieu of the fees described herein. You agree to use our standard accounting method (accrual or cash basis), chart of accounts, balance sheet format, and profit and loss report format for tracking income and expense items for the Franchised Business, among other required accounting, reporting, and records systems requirements.

(2) Ongoing Training. You and any Trainee(s) (as hereinafter defined) must participate, if we require, in up to four days per calendar year of refresher training in the operations and marketing of the Franchised Business. We or a third-party we designate may provide the ongoing training. The refresher training would be at a location which we select, including without limitation telephonically, via virtual meeting, or other means. The refresher training may or may not take place at an annual convention or business meeting of franchisees which we can require you to attend once per calendar year; the ongoing training days may be in addition to the annual convention or business meeting days. The fee for additional training programs or meetings is currently $200 per hour and you must pay all the travel and living expenses and the fee for the annual convention or business meeting of franchisees is currently $0 per person, and you must pay all your travel, lodging, meals, and other expenses to attend each; we may require you, the Operating Principal, and/or Clinical Director to attend. (Franchise Agreement – Sections 5.P and 5.Q.)

(3) In the event (i) your initial training attendee fails to pass the initial training and an additional attendee attends in their place or (ii) you send another Trainee(s) to an initial training course due to turnover in your ongoing operations, then you must pay us a training fee of $2,500 per person, plus any travel, lodging, meals, and related expenses if we accept your request for us to send a representative to conduct the training of another Trainee(s) at your location. (Franchise Agreement – Section 4.A.)

(4) Additional Assistance. We will provide at our option additional assistance upon your written request, or upon our determination that the Franchised Business is operating below required standards, for operational, clinical, nonclinical, administrative and/or general business advice and assistance, at a cost to you based on our then-current fee for our respective personnel performing this assistance plus other actual expenses including all travel, lodging, meals, and other expenses. (Franchise Agreement – Section 4.D.)

(5) Amounts contributed to the ad-coverage area advertising and promotions requirement shall be credited towards your requirement for local advertising and promotions.

(6) In the event you fail to timely pay any tax due required by law, we may make such payment and you must reimburse us for the amount paid plus a 15% administrative fee.

(7) If you do not maintain insurance on the Franchised Business as we require, we may, at our option and in addition to our other rights and remedies, obtain the insurance and keep the same in full force and effect on your behalf, and you must reimburse us for all premiums incurred by us in connection with obtaining such insurance plus a 15% service charge.

(8) The expenditures for the local advertising and promotions are paid to your local vendors, and the expenditures are typically non-refundable.

(9) At your request, we may, but we have no obligation to refer to you potential buyers of your Franchised Business. If we refer to you the buyer of your Franchised Business or the assets of the Franchised Business or an ownership interest in you or the Franchise Agreement, then you must pay us a referral fee in the amount of $25,000 at the time of the closing such sale regardless of whether the buyer is an existing Grace Integrated franchisee or not.

(10) You do not have the right to terminate the Franchise Agreement except as provided in Section 7.A. of the Franchise Agreement or as otherwise agreed by the parties. In the event of any termination of the Franchise Agreement by you that is not in accordance with the terms of Section 7.A., or any termination of the Franchise Agreement by us in accordance with the terms of Section 7.B. prior to its expiration date, such termination may result in lost future revenue and profits to us, harm to the goodwill associated with the Marks, and increased costs to us to re-develop or re-franchise the market in which the Franchised Business is located. Accordingly, in the event that you terminate the Franchise Agreement other than in accordance with the terms of Section 7.A., or if we terminate the Franchise Agreement pursuant to the terms of Section 7.B., then you must pay to us by the effective date of such termination, as liquidated damages, that amount which is calculated by multiplying the average monthly amount of Royalty Fees and Brand Fund Contributions due and payable during the fifty-two weeks prior to the termination (either by Franchisee or if Franchisee has not been in operation for at least fifty-two weeks as of the date of termination, then based on the average monthly amount of Royalty Fees and Brand Fund Contributions of all Grace Integrated businesses during the fifty-two week period immediately preceding Franchisee's termination date) by the number of months then remaining in the term of the Franchise Agreement.

(11) The highest interest rate allowed by law in California is 10% annually.

(12) For any amounts due by you that are a fixed dollar amount (*e.g.* a fee is $200 per month) or that are calculated in a way that includes a fixed dollar amount (*e.g.* five percent of Gross Sales between $5,000 - $50,000 is the amount due by you), we may adjust these dollar amounts proportionately by the amount of the increase in the Consumer Price Index, effective upon notice to you, as provided in the Operations Manual. As used herein, the term "Consumer Price Index" shall mean the United States Department of Labor's Bureau of Labor Statistics' Consumer Price Index, All Urban Consumers (CPI-U), All-Items, not seasonally adjusted, for the Chicago-Naperville-Elgin, IL-IN-WI Core Based Statistical Area (1982-84=100), or the successor of such index, or if no successor index is designated, then such other index as we reasonably shall designate.

(13) All other fees are imposed and collected by us and are non-refundable. Except as described above, all fees are uniformly imposed, although we may reduce, defer, or waive such fees, if and when we determine that it is warranted by a unique or compelling situation. We reserve the right to have you utilize the electronic funds transfer system and/or other similar means to remit all amounts due.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (1)	$55,000	Lump sum.	Due upon signing the Franchise Agreement.	Us.
Opening Package Fee (11)	$0 to $2,500	Lump Sum.	Due upon signing the Franchise Agreement	Us.
Management Agreement Review Fee (12)	$0 to $5,000	As incurred.	Before opening.	Us.
Technology Fee (Due During Pre-Opening Period)	$180 to $360	As incurred.	Before opening.	Us.
Bookkeeping Setup Fee and Two Months Estimated Ongoing Costs (7)	$2,680 to $2,830	As incurred.	Before opening.	Other suppliers.

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Travel and Living Expenses During Training (6)	$1,000 to $3,500	As incurred.	Before opening.	Airlines, hotels and restaurants.
Credentialing / NPI-Facility Setup	$500 to $1,000	As incurred.	Before opening.	Other suppliers.
PayCor Payroll Setup Fee and Two Months Estimated Ongoing Costs	$2,500 to $3,000	As incurred.	Before opening.	Other suppliers.
Lease Security Deposit	$5,600 to $8,500	As incurred.	Before opening.	Landlord.
Rent (Initial 3 months)	$8,500 to $12,500	As incurred.	Before opening.	Landlord.
Utility Deposits	$500 to $1,000	As incurred.	Before opening.	Other suppliers.
Leasehold Improvements	$5,000 to $30,000	As incurred.	Before opening.	Other suppliers.
General Computer Hardware and Software (9)	$3,500 to $5,000	As incurred.	Before opening.	Other suppliers.
Practice Management Software Initial Fees (8)	$200 to $700	As incurred.	Before opening.	Other suppliers.
Furniture, Fixtures & Decor	$20,500 to $41,000	As incurred.	Before opening.	Other suppliers.
Signage	$500 to $2,500	As incurred.	Before opening.	Other suppliers.
Office Equipment & Supplies (10)	$100 to $500	As incurred.	Before opening.	Other suppliers.
Business Licenses & Permits	$200 to $500	As incurred.	Before opening.	Other suppliers.
Professional Fees	$5,000 to $10,000	As incurred.	Before opening.	Professionals.
Business Insurance	$1,000 to $1,500	As incurred.	Before opening.	Other suppliers.
Grand Opening Advertising	$3,000 to $6,000	As incurred.	Within one month before the opening of your Franchised Business.	Other suppliers.
Additional Funds - 3 Months (2)	$52,500 to $125,000	As incurred.	As incurred.	Third parties.
TOTAL (3)(4) (5)	$167,960 to $317,890	---	---	---

Explanatory Notes to Table:

(1) Initial Franchise Fee. The initial franchise fee is $55,000.

(2) Additional Funds – 3 Months. This category estimates any other additional funds you will incur before operations begin and during the 3-month initial period of operations. The factors and experiences that we considered or relied upon in formulating this amount are the local market for your products and services, the prevailing wage rate, competition, the sales level reached during the initial period, along with your management skill, experience, discipline and business acumen. We relied on our officers' behavioral healthcare outpatient clinic experience since 2017 in formulating the amount required for additional funds.

(3) You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

(4) We do not offer financing for any part of the initial investment.

(5) Amounts paid to us or the Brand Fund are not refundable. Amounts paid to others may not be refundable.

(6) The "Travel and Living Expenses During Training" range contemplates that you and your Trainees (Operating Principal, Clinic Director, the practice manager, the scheduler, the biller, and any other manager(s)) will attend the initial training; the low estimate assumes that you live close to our training location and will not incur much, if any, travel or living expense to attend.

(7) The "Bookkeeping Setup Fee" range contemplates payment to the designated bookkeeping and financial services vendor we require you to use to establish your accounts with them as well as two months of pre-opening ongoing costs.

(8) The "Practice Management Software Initial Setup Fees" range contemplates the costs to get started with our designated practice management software that handles most patient scheduling, billing, and electronic medical records. We anticipate your use of the software prior to opening and have included approximately two months of ongoing costs at the current $69 rate per user for 3 - 5 users; the setup charge is currently $0.

(9) The "Computer Hardware and Software" range contemplates the initial expense of the accounting software, telephone, security hardware and software, the CRM system, audio-visual entertainment, and QuickBooks software.

(10) The "Office Equipment & Supplies" range relates to the costs to acquire office equipment and supplies which may include without limitation filing cabinets, desk items (*e.g.* staplers, hole punchers), folders, copy paper, pens, etc.

(11) The "Opening Package Fee" may be $0 if we do not require you to receive our support and guidance related to the Franchised Business' premises, décor, aesthetics, and space planning.

(12) The "Management Agreement Review Fee" may be $0 if you do not operate as a Management Business model Franchised Business and therefore do not need a Management Agreement that we must review.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

Other than the Opening Package, the Management Agreement Review, and the Technology Fee services, you have no obligation to purchase or lease goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Franchised Business from us, currently. In the future we may require you to make such purchases or leases.

Required and Approved Suppliers

You must purchase, lease, license, or use accreditation and credentialing and contracting services, safety training services, electronic medical record software and/or services provider, practice management software and/or services provider, medical and insurance billing software and/or services provider, accounting firms and software, architecture services and providers, real estate services and providers, construction and/or general contractor services and providers, financial analysis and management product(s) or service(s), insurance agents, technology providers and/or platforms, merchant processing, gift cards, gift card platforms and providers,

customer loyalty programs, membership programs, other service providers, items of equipment, vehicles, inventory, music provider, audio or visual entertainment provider, decor, payroll processing, human resources services, employee scheduling and time tracking services and providers, social media (all aspects including without limitation marketing, advertising, activities, and presence), email platform including without limitation email campaigns provider, computer hardware and software, (including without limitation for business management, recruiting, inventory management, point of sale (POS) and customer relations management (CRM)) systems and providers, phone and security hardware and software, including without limitation security cameras, doorbells, educational systems and/or software, payment and/or invoicing software, business management software, learning management system, appointment management system, booking system, event ticketing system, floor plan management, reports, waivers, training, other technology, food and beverage suppliers, graphic design services, interior design services, supplies, promotional and marketing services and printing providers, apparel, signs, and other comparable items we have approved for a Franchised Business as meeting our specifications and standards for appearance, function, trade dress, design, quality and performance (if any) related to establishing or operating the Franchised Business and to purchase or lease them only from our required or approved suppliers (if any). There is no supplier in which an officer of ours owns an interest.

If you are not a Licensed Provider, the corporate practice of medicine doctrine may restrict what medical equipment and supplies you may designate for use in the Franchised Business.

Approval of Alternate Suppliers

To have an alternate supplier approved, you must first notify us in writing, submit sufficient specifications, samples and information, along with our then-current fee (which is currently not expected to exceed $5,000 per request, plus reimbursement of our expenses). Our criteria for approving suppliers is confidential and is not available to franchisees. You may contract only with suppliers whom we have approved. We will notify you of our approval or disapproval within six months of our receiving all requested information. We may revoke our approval of a supplier at any time for any reason.

Specifications

We issue specifications to franchisees. We issue and modify the specifications by updating the confidential Manual. We issue specifications regarding your purchase or lease of goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate and comparable items related to establishing or operating the Franchised Business. Our site location and lease requirements are provided in the Franchisor's Assistance, Advertising, Computer Systems and Training part of this disclosure document.

Revenue from Franchisee Purchases

We and our affiliates may but not currently derive revenue or other material consideration from your required purchases, leases, and/or licenses. We and our affiliates may but do not currently require a supplier from whom you purchase to pay us a rebate.

We estimate that your required purchases, leases, and licenses in compliance with the above specifications of goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate and comparable items will represent 60% to 75% of your overall purchases and leases in establishing the Franchised Business and 50% to 60% of your overall purchases and leases in operating the Franchised Business.

Cooperatives

We do not have any purchasing or distribution cooperatives.

Negotiated prices

We may negotiate purchase price arrangements with suppliers, including price terms, for the benefit of 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.

ITEM 9. FRANCHISEE'S OBLIGATIONS

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Section 5	Items 6 and 11
b. Pre-opening purchases/leases	Section 5	Items 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Section 5	Items 7, 8 and 11
d. Initial and ongoing training	Sections 4 and 5	Items 6 and 11
e. Opening	Section 5	Item 11
f. Fees	Sections 1, 2, 4, 5, 6, 7, 8 and 9	Items 5, 6, 7, 11 and 17
g. Compliance with standards and policies/Operations Manual	Sections 3 and 5	Items 8 and 11
h. Trademarks and proprietary information	Sections 3, 5 and 7	Items 13 and 14
i. Restrictions on products/services offered	Sections 3 and 5	Items 8, 11 and 16
j. Warranty and customer service requirements	Section 5	Items 6 and 8
k. Territorial development and sales quotas	Sections 3 and 5	Items 11 and 12
l. On-going product/service purchases	Section 5	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	Sections 5, 6 and 8	Items 8 and 17
n. Insurance	Section 5	Items 6 and 7
o. Advertising	Section 5	Items 6, 7 and 11
p. Indemnification	Sections 5, 7, 8 and 10	Items 6 and 13
q. Owner's participation/ management/staffing	Sections 3 and 5	Item 15
r. Records and reports	Section 5	Item 6
s. Inspections and audits	Section 5	Item 6
t. Transfer	Section 8	Items 6 and 17
u. Renewal	Section 6	Items 6 and 17
v. Post-termination obligations	Section 7	Item 17
w. Non-competition covenants	Sections 5 and 7	Item 17

Obligation	Section in Agreement	Item in Disclosure Document
x. Dispute resolution	Section 9	Item 17

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.

Franchisor's Pre-Opening Obligations. Before you open your Franchised Business:

(1) 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. We generally do not own the premises and lease it to you. (Franchise Agreement – Section 5.B.)

We recommend that the size of the location be between 1,500 to 2,000 square feet with a minimum of five offices, adequate patient parking, reasonable access to public transit, and natural light via exterior windows.

We approve or reject locations or leases by a written notice which is delivered to you. We will use our reasonable best efforts to deliver this notification to you within thirty days after the location evaluation or lease information is available. Additional sites are considered until our approval is reached or the Franchise Agreement terminates.

You must lease the premises for your location in the form and manner required by us and deliver a copy of the signed lease to us immediately after its signing.

You must not sign any lease which has not been approved in writing by us. If your business premises is to be leased, you must submit the lease to us for written approval at least fifteen days before it is scheduled to be executed. If you lease your business premises, the lease must include language contained in the Lease Rider which is attached to your Franchise Agreement as Schedule B. The lease must give us, our agents or designees the right to enter the premises to conduct inspections at any time during regular business hours, the right to receive notices of default directly from the lessor and the right, but not the duty, to assume the lease for all or any part of the term, if you default under the lease, are evicted or if your Franchise Agreement expires or is terminated. You must not lease or sublet all or any part of your business premises to others or use any portion of the premises for any purpose other than conducting business pursuant to your Franchise Agreement without our prior written consent.

(2) We will provide an initial training program for the operation of the Franchised Business. (Franchise Agreement - Section 4.A.) (See below.)

(3) We will provide pre-opening and opening supervision assistance by our personnel at your

location. (Franchise Agreement – Section 4.B.)

(4) We will provide names of approved suppliers and written specifications for your equipment, signs, fixtures, opening inventory and supplies. (Franchise Agreement – Sections 5.C, F. and G.)

(5) We will provide at our option and upon payment of the Opening Package Fee, support and guidance with the Franchised Business' premises décor, aesthetics, and space planning. (Franchise Agreement – Sections 4.E.)

Obligations During Operation of the Business. During the operation of your Franchised Business, we will:

(1) Provide you a continuing advisory service by telephone, or other digital, virtual, or electronic means or at our home office concerning the operation of your Franchised Business. (Franchise Agreement - Section 4.C.)

(2) Provide you with access to the advertising and marketing materials we may develop by using the Brand Fund contributions. (Franchise Agreement - Section 5.L.)

(3) If you operate under the Business Management model, we will review the Management Agreement that you prepare for conformity with our System and Marks. You are solely responsible for ensuring that your Management Agreement complies with all laws and regulations applicable. (Franchise Agreement - Section 1.C.)

(4) 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 which we prescribe occasionally for Franchised Businesses, as well as information relative to other obligations you have in the operation of the Franchised Business. The Operations Manual may be modified periodically to reflect changes in the specifications, standards, operating procedures and other obligations in operating Franchised Businesses. You must keep your copy of the Operations Manual current, and the master copy of the Operations Manual maintained by us controls if there is a dispute regarding the contents of the Operations Manual. (Franchise Agreement - Section 5.H.) The Operations Manual currently has 88 pages and the table of contents is as follows:

MANUAL

Subject	Number of Pages
Introduction & Welcome	1
Grace	1
Model	14
Simple Practice / Billing	60
Credentialing	2
Billing	2
Clinician Onboarding	2
Accounting	4
Site Maintenance	1
Marketing	1

Brand Fund. We will administer an advertising and marketing fund (the "Brand Fund") for the advertising and marketing programs. You must contribute to the Brand Fund throughout the term of this Agreement the amount equal to (a) from Month 0 through 3, $0 per Licensed Provider per month, (b) from Month 4 through 6, $100 per Licensed Provider per month, or (c) from Month 7 and thereafter of operations, $200 per Licensed Provider per month (subject to increases in the Consumer Price Index, as provided in Item 6 and the Operations Manual), payable together with the Royalty Fee due under the Franchise Agreement. The obligation of other franchisees to contribute to the Brand Fund may be a different amount or at a different rate. (Franchise Agreement - Section 5.L.)

We will direct all advertising and marketing programs financed by the Brand Fund, with sole discretion over the creative concepts, materials and endorsements used, and the geographic, market and media placement and allocation. Currently the source of our marketing and advertising programs is our in-house personnel. 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, 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, and participating in national or regional trade shows.

The Brand Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for the marketing and sale of franchises, reasonable salaries, administrative costs and overhead as we may incur in activities reasonably related to the administration of the Brand Fund and its advertising and marketing programs including conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the Brand Fund, and the marketing, advertising, and sale of franchises. We may spend in any fiscal year an amount greater or less than the aggregate contribution of all Grace Integrated 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 to cause the Brand Fund to be incorporated or operated through an entity separate from us at the time as we deem appropriate, and the entity will have the same rights and duties as we do. Although we will endeavor to utilize the Brand Fund to develop advertising and marketing materials and programs, and to place advertising that will benefit all Grace Integrated businesses, we undertake no obligation to ensure that expenditures by the Brand Fund in or affecting any geographic area are proportionate or equivalent to your contributions to the Brand Fund or that any Grace Integrated business will benefit directly or in proportion to its contribution to the Brand Fund from the development of advertising and marketing materials or the placement of advertising. We have no obligation to spend any amount on advertising in the Franchisee's territory.

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. Our Affiliate does not currently contribute to the Brand Fund and may do so in the future at a different rate than franchisees in our sole discretion.

For the year ending December 31, 2025, we neither collected nor spent any Brand Fund contributions for the Grace Integrated system. (Franchise Agreement – Section 5.L.). We do not intend to, but later may, use any part of the Brand Fund for advertising that is principally a solicitation for the sale of franchises.

Local Advertising and Promotion. You must spend quarterly for local advertising and promotion of the Franchised Business and the Marks at least one percent of the Gross Sales of the Franchised Business. Amounts contributed to the ad-coverage area advertising and promotions requirement pursuant to the paragraph below will be credited towards your requirement for local advertising and promotions under this paragraph. We may review your books and records periodically to determine your expenditures for advertising and promotion and you shall submit an accounting of your expenditures for such required advertising and promotion within fifteen (15) days of the end of each calendar quarter. If we determine that you have not spent the requisite amount, we may require you to pay the unexpended amounts to the Brand Fund. At any time, we may require you to pay the above local advertising and promotions amount to us or to a designated or approved supplier for spending on local advertising and promotions instead of you spending such amounts directly. In addition to the above local advertising, you must maintain a membership and subscription to "Psychology Today" and all Licensed Providers shall have public, searchable profiles on the Psychology Today website; we may change any aspect of this requirement in our sole discretion to require different or additional methods of advertising.

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, which will not be unreasonably withheld. If you do not receive written disapproval within fourteen days after the date of receipt by us of the materials, we will be deemed to have given approval. You may not use any advertising, promotion or public relations materials that we have disapproved. (Franchise Agreement - Section 5.L.)

Within one month before the opening of your Franchised Business, you must spend a minimum of $3,000 on local advertising, marketing and promotion of the opening of the Franchised Business in accordance with an opening marketing plan approved by us. These grand opening expenditures are in addition to the Brand Fund contributions specified above.

Provided that a majority of the Grace Integrated locations in your ad-coverage area agree to participate in the program, you must participate in and contribute your share to additional advertising and promotional programs in your ad-coverage area. The cost of the program will be allocated among the locations in the area and each location's share will be in proportion to its sales during the preceding twelve-month period and/or may be a flat amount. "Ad-coverage area" is defined as the area covered by the advertising medium (television, radio or other media) as recognized in the industry. At the time a program is submitted, we will submit a list of all operating locations within the ad-coverage area.

We may establish, acquire, or host any website(s) to advertise, market, and promote Grace Integrated businesses, the products and services that they offer and sell, and/or a Grace Integrated franchise opportunity (each a "Franchise System Website"). We may (but are not required to) provide you with a webpage 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: (i) provide us the information and materials we request to develop, update, and modify your webpage; (ii) notify us whenever any information on your webpage is not accurate; and (iii) if, from time to time, 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 Websites, 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 permit you to sell products and/or services through the Franchise System Website from time to time in our sole discretion. All amounts due to us or any designated vendor related to establishing and maintaining the Franchise System Website and/or other online media (*e.g.* establishing online booking and/or reservations platform) will be borne by you.

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, 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.

There are currently no advertising councils or local or regional advertising cooperatives.

Training Program. Before the start of your Franchised Business, we will provide approximately one week of initial training on the operation of a Franchised Business for up to six people, including at least the Franchisee and Operating Principal, Clinic Director, the practice manager, the scheduler, the biller, and other manager(s) (individually, each person attending initial training is a "Trainee" and collectively, the "Trainees"). Although there are no additional fees for this training, you must pay for all travel and living expenses which you and any of your employees incur in connection with training. The Trainees, presently and in the future, must pass the training program to our satisfaction at least two weeks before opening the Franchised Business. If any Trainee(s) do not pass the training program, we can terminate your Franchise Agreement. We will not be liable to return any franchise fee, training fee(s), any other amounts, or pay any costs or expenses you incur if we terminate your Franchise Agreement because any Trainee(s) do not pass the training program. In the event (i) any Trainee(s) fail(s) to pass the initial training and an additional attendee attends in their place or (ii) you send another Trainee to an initial training course including without limitation due to turnover in your ongoing operations, then you must pay us our then-current training fee per person (currently $2,500) plus any travel, payroll and living expenses if we accept your request for us to send a representative to conduct the training of another Trainee at your location. (Franchise Agreement – Section 4.A.)

We expect that training will be conducted for you and your employees approximately one to five months after you sign your Franchise Agreement. We plan to be flexible in scheduling training to accommodate our personnel, you and your personnel. There currently are no fixed (i.e., monthly or bimonthly) training schedules. The training program consists of the following, provided however that if you are not a Licensed Provider, the corporate practice of medicine doctrine may require us to avoid training you on topics that could be considered the practice of medicine:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
History of Grace Integrated Businesses	0.50	0	Westmont, Illinois
Use of the Manual	0.25	0	Westmont, Illinois
Tour of Grace Integrated Business	1.0	0	Westmont, Illinois
Pre-Opening Procedures	3.0	0	Westmont, Illinois
HIPAA and Basic Cyber Security Training	2.0	0	Westmont, Illinois
Recruiting and Leadership	1.0	0	Westmont, Illinois
Advertising and Marketing	2.0	0	Westmont, Illinois
Management Procedures	0.5	0	Westmont, Illinois
Accounting / Recordkeeping	0.50	0	Westmont, Illinois
Electronic Medical Record and Practice Management Software	3.0	0	Westmont, Illinois
Customer Service Procedures / Satisfaction	1.0	0	Westmont, Illinois
Office Management (Clinic Director Role)	1.0	0	Westmont, Illinois
Providers' Role and Management	3.0	0	Westmont, Illinois

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Billing and Insurance Matters including claim troubleshooting	4.0	0	Westmont, Illinois
Credentialing, Contracting (to become a licensed biller with at least one insurer), and NPI Process	3.5	0	Westmont, Illinois
Scheduling	3.0	16	Westmont Illinois
Site Selection	0.75	0	Westmont, Illinois
Technology Systems Introduction	4.0	0	Westmont, Illinois
Total	34	16	

The training is provided by Julie McDevitt (who has been with us since inception and with our Affiliate and offered training through our Affiliate since January 2017), Chris McDevitt (who has been with us since inception and with our Affiliate and offered training through our Affiliate since January 2017, and Jennifer Rocco (who has been with us since inception and with our Affiliate and offered training through our Affiliate since October 2018). All trainers have over five years' experience training others in their respective field. The Manual will be used as the principal instructional manual.

In addition to the above training, we provide you pre-opening and opening on-the-job supervision and assistance at the premises of your first Franchised Business for at least two days near the time of the opening of your Franchised Business.

Ongoing Training. You must participate, if we require, in up to four days per calendar year of refresher training in the operations and marketing of the Franchised Business. The refresher training may or may not take place at an annual convention or business meeting of franchisees which we can require you to attend once per calendar year. The fee for additional training programs or meetings is provided in Item 6 plus you pay all travel, lodging, meals, and related expenses incurred for any Trainee(s) and/or others to attend the training, or our representative's travel, lodging, meals, and related expenses incurred related the training if we send any representative(s) to train any Trainee(s) and/or others at your premises. We may terminate the Franchise Agreement if you, or any Trainee(s) and/or others required to attend have two or more unexcused absences in any twelve-month period from mandatory ongoing training, and does not subsequently attend all required meetings and trainings during the following twelve-months. (Franchise Agreement – Sections 5.P and 5.Q.)

Computer. You must keep your books and business records according to our formats. To facilitate your reporting to us and other communications, you must maintain certain systems in operating the Franchised Business. We require that you use our designated electronic medical record, practice management, scheduling, and billing ("EMR/PR") systems/software, which our Affiliate has used since January 2017. The EMR/PR currently has an initial setup charge of $0 and an ongoing charge of approximately $69 per person, currently (subject to increase by the vendor), and we expect a minimum of 5 users for an estimated current minimum monthly cost of $345. We require that you use our designated payroll software, which our Affiliate has used since January 2021. The designated payroll software has an initial cost of $2,000.00 and an estimated monthly cost of $207 plus $14.50 per employee, currently (all subject to increase by the vendor). We require that you use our designated business management software for accessing the Operations Manual, email, and other business software services, which our Affiliate has used since August 2017. The designated business management software currently has an initial setup charge of $1,150 and an ongoing monthly cost of approximately $765 - $915 per month, currently (all subject to increase by the vendor). We require that you use our designated bookkeeping and accounting software (QuickBooks), which our Affiliate has used since November 2018. The designated bookkeeping and accounting software has an initial cost of $650 and an estimated monthly cost of $65 for one license seat, currently (all subject to increase by the vendor). The initial costs and at least two months of recurring costs for the software listed here are included in the Item 7 estimate.

You must purchase computer hardware and software to operate the Franchised Business, which has an estimated pre-opening cost of $3,500 to $5,000. We have independent access to the information and data you maintain; and there are no contractual limitations on our right to access the information and data, provided that certain client health-related information is protected by privacy laws such as HIPAA. We are not obligated to repair the computer system. No organization has the contractual right or obligation to provide maintenance, repairs, upgrades or updates. We recommend that you obtain a maintenance contract with a reputable organization for your computer system. You may be required to upgrade or update any computer hardware or software program during the term of the Franchise Agreement. There are no contractual limitations on the frequency or costs associated with this obligation. Upgrades, support and maintenance could cost $2,000 to $3,000 or more annually due to your vendors. We and/or our affiliates may condition any purchase, lease, or license of any required or recommended software, technology or hardware to you, and/or your use of technology developed, administered or maintained by or for us, on you signing or consenting to a license agreement or similar document that we and our affiliates periodically specify to regulate your use of, and our (or affiliate's) and your respective rights and responsibilities with respect to, the software or technology. We may, or we may require any designated software, technology, or hardware provider to, terminate your access to and use of any software, technology, or hardware if you are delinquent on any payments due to us or our affiliates, suppliers, or vendors or otherwise in default of this Agreement. You shall execute any required license and/or services agreement for any software program we require and including without limitation for changes or increases to fees and/or changes to any aspects of the software may be made effective upon ten (10) days prior notice to you.

Time for Opening. The typical length of time between the signing of the Franchise Agreement and the start of your Franchised Business is three to six 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, and your own timetable.

ITEM 12. TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands we control. Your Franchised Business will operate from a specific location we approve either at the time you sign your Franchise Agreement or you will select a location to be approved by us and obtain lawful possession of it through a lease within two months after the date of the Franchise Agreement.

You may market the Franchised Business and solicit customers and referrals anywhere it is lawful to do so. You may use the Marks and the System at any location permitted by law, whether in-office or online, remote, or telehealth sessions, as we may direct in our sole discretion. We may assign a potential client or referral that we receive to any Grace Integrated clinic based on our and/or your current policies and appointment availability as we determine in the interests of the client, regardless of proximity of the client to the Franchised Business and without any obligation or compensation to you. We may enfranchise or operate any Grace Integrated business anywhere. We may operate and enfranchise anywhere any business under the same or different trademarks and may conduct anywhere any business using the Marks or System on the Internet or by any other alternate channel of distribution. You do not receive any options, rights of first refusal or similar rights to acquire additional franchises.

Neither the franchisor nor any affiliate operates, franchises, or currently has plans to operate or franchise a business under a different trademark which sells or will sell goods or services similar to those the franchisee will offer.

If you want to relocate your Grace Integrated business, you must notify us in writing and pay us a relocation fee equal to ten percent of the then-current initial franchise fee for a non-discounted first franchise, 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 shall pay us the then-current daily fee for our personnel, plus other actual expenses, including without limitation all travel, lodging, meals and other expenses. We reserve the right to refuse to approve a proposed relocation in our sole discretion, including without limitation if we believe that the proposed relocation is for any reason not acceptable to us. 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 then-current franchise location requirements, the competitiveness within the marketplace or other factors.

There are no other circumstances that permit us to modify your territorial rights.

ITEM 13. TRADEMARKS

Grace Integrated Trademark. The principal trademark to be licensed to you is "Grace Integrated". This trademark is owned by our Affiliate, and the trademark is licensed to us for a perpetual term. Our Affiliate applied to register the trademark with the United States Patent and Trademark Office ("USPTO") on February 10, 2025 on the Principal Register under Serial Number 99/035,214. We filed our Statement of Use and Specimen on December 29, 2025 and await notice of registration of the trademark.

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 our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There is no pending infringement, opposition or cancellation action, nor any pending material federal or state court litigation regarding the franchisor's use or ownership rights in the trademark. There are no agreements which significantly limit our right to use or license the use of the principal trademark in any manner material to the franchise.

Infringements. You must immediately notify us of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark. We and our affiliates will have sole discretion to take action as we deem appropriate and the right to exclusively control any litigation or USPTO or other proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark and we are not required to take affirmative action when notified of such use or claim by the Franchise Agreement. We do not indemnify or defend you for any claims or matters related to the Marks brought by any third-party(ies).

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue use of any Mark, and/or use one or more additional or substitute trade or service marks, you must comply with our instructions within a reasonable time (agreed not to exceed sixty (60) days) after notice by us, and our sole liability and obligation in any event will be to reimburse you for your out-of-pocket costs of complying with this obligation.

We do not actually know of either superior prior rights or infringing uses that could materially affect your use of our principal trademark.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or registered copyrights are material to the franchise. We and our affiliates claim copyright protection of our Operations Manual and related materials although these materials have not been registered with the United States Registrar of Copyrights. The Operations Manual and related materials are considered proprietary and confidential and are considered the property of us and our affiliates and may be used by you only as provided in the Franchise Agreement. You may not use our confidential information in any unauthorized manner and must take reasonable steps to prevent its disclosure to others.

You will be entitled to use of the copyrighted and proprietary materials during the term of the franchise. There are no currently effective material determinations of the USPTO, the United States Copyright Office, or a court regarding the copyrighted materials. There are no agreements that significantly limit our rights to use or license the use of the copyrighted or proprietary materials. There is no provision in the Franchise Agreement specifically obligating us to protect your rights to use of the proprietary or copyrighted materials, but we will respond to this information as we deem appropriate. There are no infringing uses known to us which would materially affect your use of the proprietary and/or copyrighted materials.

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

We recommend your personal on-premises supervision of the Franchised Business but do not require it. For each Franchised Business, you must designate a Clinic Director and an Operating Principal (as hereinafter defined), and potentially a manager to assist you or your managing shareholder or member or partner in operating the Franchised Business. All managers must pass the initial training program and sign a confidentiality and non-competition agreement in the form we prescribe (as permitted by applicable law). We do not require the manager, Operating Principal, or Clinic Director to have an equity interest in the Franchised Business.

The "Operating Principal" you designate shall devote full time and best efforts to the Franchised Business and the Operating Principal shall have full authority regarding all operational decisions about the Franchised Business and to communicate on your behalf with us, provided that in the event the Operating Principal is not also the Clinic Director, then the Clinic Director will have oversight responsibilities over aspects of the Franchised Business that involve the provision of health or medical products and services and the exercise of medical judgment. You may be the Operating Principal or you may designate an Operating Principal other than yourself (i) who has successfully completed all training we require including payment for such training at the then-current rate and (ii) whom we have pre-approved to be the Operating Principal. In the event the Franchised Business loses its Operating Principal for any reason, a new Operating Principal must be obtained and designated within thirty days of the date of separation of the immediately prior Operating Principal. The Franchised Business shall at all times be under the continuous, direct, on-premises supervision of the Clinic Director and either the Operating Principal or your designated manager(s) who has attended and passed the training program.

The Franchised Business, including without limitation, all individuals working with patients must be continuously under the supervision of a designated Clinic Director who is a full-time employee of the Franchised Business and/or Practice Entity, and who is subject to the same non-competition, non-solicitation, and non-disclosure limitations as you are. "Full time" as used in this paragraph 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 the Franchised Business, your Clinic Director, your Operating Principal, and all Licensed Providers 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, certifications, individual screenings and/or background checks as required; and (b) perform the services and conduct themselves in a professional and ethical manner. If you are not a Licensed Provider and/or a Clinic Director, the corporate practice of medicine doctrine may restrict you from choosing or designating (i) the medical equipment and supplies used by the Franchised Business, and/or (ii) the licensed services and products offered, as well as restricting your oversight responsibilities and abilities.

In the event the Franchised Business no longer has a full-time designated Clinic Director for any reason, (i) you must, within twenty-four (24) hours of the separation of the Clinic Director from the Franchised Business, notify us of such event and the circumstances surrounding it; (ii) you must hire a replacement Clinic Director and promptly have the replacement Clinic Director complete training with us at your sole cost and expense; (iii) the Franchised Business may not be permitted to operate due to the lack of a Clinic Director; and (iv) in the event

that the Franchised Business does not hire a replacement Clinic Director within thirty (30) days of the date of separation of the prior Clinic Director, we may terminate the Franchise Agreement without notice or further time or opportunity for you to cure, and such termination shall be effective upon us giving notice of the termination.

You, your owners, shareholders, members, partners, your spouse, and the spouse of any owner, shareholder, member or partner must sign the Franchise Agreement personally, meaning each will be jointly and severally, personally, bound by and personally liable for the breach of every provision of the Franchise Agreement, including without limitation the confidentiality and non-competition provisions.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those goods and services which we have approved. You must also offer all goods and services that we designate. All goods and services provided by you must be presented in accordance with our System Standards. We have the right to change the types of authorized goods or services. There are no specific limitations in the Franchise Agreement on this right.

If you are not a Licensed Provider and/or Clinic Director, the corporate practice of medicine doctrine may restrict you from choosing or designating (i) the medical equipment and supplies used by the Franchised Business, and/or (ii) the licensed services and products offered, as well as restricting your oversight responsibilities and abilities. You must not engage in the practice of behavioral healthcare, medicine, mental health therapy, 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. However, we require that your Franchised Business adhere to all Professional Standards and applicable laws including without limitation any state standards on outpatient behavioral healthcare services and that your Franchised Business meets our minimum standards for client service.

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 customer. We may require that your business observe specified days and hours of operation that may change from time to time and may impose minimum and maximum prices for products and services offered or sold by the Franchised Business, to the extent legally permissible, and all of these may change from time to time; other than this, we do not impose any restrictions or conditions that limit your access to customers.

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 behavioral healthcare through your Franchised Business pass all applicable licensing tests and board certifications, be a Licensed Provider 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 to supervise, administer, deliver, or perform medical or mental health services, and under no circumstance may a non-licensed medical professional influence, or direct the supervision, administration, delivery, or performance of, medical or mental health services. You must obtain and maintain all required permits, licenses, and certificates necessary for the operation of the Franchised Business and for offering outpatient behavioral healthcare services to adults and children. Any inconsistency between the standards of the System or our advice, on the one hand, and any legal requirement, on the other hand, is inadvertent and not an effort to cause you to deviate from such legal requirements or the proper practice of your profession.

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

THE FRANCHISE RELATIONSHIP

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.

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Section 6	10 years
b. Renewal or extension of the term	Section 6	If you have substantially complied with the Franchise Agreement, you can renew for two additional 5-year terms.
c. Requirements for franchisee to renew or extend	Section 6	Written notice of intent to renew, sign new franchise agreement and release, pay renewal fee, refurbish or remodel the premises, and replace furnishings and equipment to be in compliance with our then-current standards. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.
d. Termination by franchisee	Section 7.A	If we breach a material provision of the Franchise Agreement, and do not cure within a reasonable time, which in no event will be less than 90 days, after your notice to us, you may terminate 10 days after delivery of notice of termination.
e. Termination by franchisor without cause	Not applicable.	Not applicable.
f. Termination by franchisor with cause	Section 7	We can terminate only if you commit any one of several listed violations.
g. "Cause" defined – curable defaults	Sections 7.B and 7.C	You have 10 days to cure for non-payment of sums to us, affiliates, suppliers, lessors or landlords; 30 days for failure to submit reports or financial data; 30 days for all other curable breaches of the Franchise Agreement or the Operations Manual or other operational memoranda or use of bad faith in carrying out terms of these franchise provisions.
h. "Cause" defined – non-	Sections 3.D., 5.G, 5.J.7,	Non-curable defaults: failure by you

Provision	Section in franchise or other agreement	Summary
curable defaults	5.P, and 5.W. Sections 7.B and 7.C	or your Trainee(s) to pass the training program; failure to provide us with a copy of your fully signed lease within 2 months after the date of the Franchise Agreement; failure to commence operating the Franchised Business within 6 months after the date of the Franchise Agreement; insolvency; abandonment; termination of lease; under reporting the number of Licensed Providers affiliated with the Franchised Business in any month; under reporting Gross Sales twice in a two year period; conviction of a felony; impairment of Marks or System; loss of business license; loss of Clinic Director and failure to replace within 30 days of separation; loss of Operating Principal and failure to replace within 30 days of separation; unsafe business operation; unauthorized transfer; breach of other agreements with us or our affiliates; repeated non-sufficient funds payments by check or electronic transfer or defaults even if cured; and repeated unfair handling of customer complaints; two or more unexcused absences in any twelve-month period from mandatory ongoing meetings and trainings and does not subsequently attend all required meetings and trainings during the following twelve months; failure to terminate any Licensed Provider who has been suspended, disciplined, or reprimanded by any governmental agency or licensing board pursuant to a final judgment, hearing, order, or ruling, or otherwise cure such default to our satisfaction; failure to comply with any federal, state, or local law or regulation applicable to the operation of the Franchised Business, including without limitation those laws or regulations governing minors, health, practice of medicine and/or outpatient behavioral healthcare, licensing, permitting, safety, sanitation, HIPAA, and/or anti-kickback; default by you,

Provision	Section in franchise or other agreement	Summary
		the Management Business, and/or the Practice Entity under any Management Agreement between them; or termination of any Management Agreement without our prior written consent.
i. Franchisee's obligations on termination/non-renewal	Section 5.0; Section 7.E; and Section 11.E	Pay amounts owed; return the Operations Manual and any Software Program and return or destroy all other materials; stop using Marks, System and confidential information; de-identify yourself from us; cancel assumed names; return to us any signs utilizing the Marks; provide us with the names, addresses, telephone numbers, email addresses, copies of agreements and any other data of all customers; assign to us your telephone and facsimile numbers, and email and internet addresses, websites, domain names, social media sites and search engine identifiers; assign your customer contracts (if any) to us, at our option; assign your lease to us, at our option; grant to us a security interest; pay all actual, liquidated and consequential damages; and adhere to non-disparagement and non-competition provisions. (also see r, below).
j. Assignment of contract by franchisor	Section 8.A	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Section 8.B	Includes any type of transfer of the Franchise Agreement or assets or any ownership change.
l. Franchisor approval of transfer by franchisee	Section 8.B	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 8.B	Transferee qualifies; all amounts due are paid in full; you are not in default; the transferee complies with training requirements; transferee has received required disclosure documents; then-current form of Franchise Agreement signed; transferee assumes remaining obligations under your agreements; transfer fee paid; referral fee paid, if due; assets have been refurbished, remodeled or replaced; lessor consent to lease assignment, if necessary;

Provision	Section in franchise or other agreement	Summary
		general releases signed; guaranty of performance may be required; right of first refusal declined by us; subordination to our interests of any amounts due by transferee to you and/or any of your principals; and payment of the Management Agreement Review Fee upon transfer in the event the transfer involves a new or revised Management Agreement. (also see r below).
n. Franchisor's right of first refusal to acquire franchisee's business	Section 8.D	We can match any offer for your business, except broker's fees are excluded. Cash may be substituted for any form of payment proposed.
o. Franchisor's option to purchase franchisee's business	Section 7.F	Option to purchase some or all equipment, supplies, inventory, advertising materials and any items with our logo, for cash at fully depreciated book value (also expressly agreed to exclude any value for goodwill), exercisable up to 90 days after termination or expiration.
p. Death or disability of franchisee	Section 8.E	You must assign franchise to an approved buyer within 180 days. All transfer provisions and management fees of section 8 of the Franchise Agreement apply.
q. Non-competition covenants during the term of the franchise	Section 5.K	No business offering outpatient behavioral health services, nor an organization franchising a similar business. No solicitation or employment of any current or former employee or independent contractor of us or any other Grace Integrated business at any time during the twelve-month period immediately prior thereto.
r. Non-competition covenants after the franchise is terminated or expires	Section 7.G	No business offering outpatient behavioral health services for 3 years within 5 miles of your former Grace Integrated business location, or within 5 miles of any other Grace Integrated business. No organization franchising a similar business for 3 years. No solicitation or acceptance of business from former customers for 3 years. No solicitation or employment of any current or former employee or independent contractor of you, us or

Provision	Section in franchise or other agreement	Summary
		any other Grace Integrated business at any time during the twelve-month period immediately prior thereto for 3 years.
s. Modification of the agreement	Sections 11.D and 5.H	Modification by written agreement signed by you and us. The Operations Manual can be revised and modified by us.
t. Integration/merger clause	Section 11.D	Only the terms of the Franchise Agreement (including System Standards in the Operations Manual) are binding (subject to state and federal law). Any statements or promises not in the Franchise Agreement and this disclosure document should not be relied upon and may not be enforceable. No claim made in any Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 9	Except for certain claims, all parties must make a good faith effort to resolve disputes by non-binding mediation conducted in the Chicago, Illinois metropolitan area. Otherwise, except for certain claims, all disputes must be arbitrated in the city where our headquarters is located when the proceedings are conducted.
v. Choice of forum	Section 9.H	Court litigation must be in any state or federal court of general jurisdiction over Westmont, Illinois (or where our headquarters is located when the proceedings are conducted, at our sole choice). (subject to state law).
w. Choice of law	Section 9.H	Except for the Federal Arbitration Act and other federal law, Illinois law applies (subject to state law).

ITEM 18. PUBLIC FIGURES

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

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ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Julie McDevitt at Grace Integrated Franchising LLC, 414 Plaza Drive, Suite 301, Westmont, Illinois 60559, (708) 512 – 5555, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned	2023	4	5	+1
	2024	5	5	0
	2025	5	6	+1
Total Outlets	2023	4	5	+1
	2024	5	5	0
	2025	5	6	+1

(*Remainder of Page Left Intentionally Blank*; *Continued on Next Page*)

Table No. 2

Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor or an Affiliate)
For Years 2023 to 2025

State	Year	Number of Transfers
Illinois	2023	0
	2024	0
	2025	0
Total	2023	0
	2024	0
	2025	0

Table No. 3

Status of Franchise Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at the End of the Year
Illinois	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Indiana	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Total	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

(*Remainder of Page Left Intentionally Blank*; *Continued on Next Page*)

Table No. 4

Status of Company and Affiliate-Owned Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Illinois	2023	4	1	0	0	0	5
	2024	5	0	0	0	0	5
	2025	5	1	0	0	0	6
Totals	2023	4	1	0	0	0	5
	2024	5	0	0	0	0	5
	2025	5	1	0	0	0	6

Table No. 5

Projected Openings
As of December 31, 2025

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

The exhibits in Exhibit C provide franchisee information:
Exhibit C-1 lists the names of all of our operating franchisees and the addresses and telephone numbers of their Franchised Businesses as of December 31, 2025. Exhibit C-2 lists the franchisees who have signed Franchise Agreements for Franchised Businesses which are not yet operational as of December 31, 2025. Exhibit C-3 lists the franchisees who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within ten weeks of the issuance of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us.

There is no trademark-specific franchisee organization associated with the franchise system which the franchisor has created, sponsored or endorsed. There is no independent trademark-specific franchisee organization which has asked to be included in the disclosure document.

ITEM 21. FINANCIAL STATEMENTS

Exhibit D contains our audited financial statements for the fiscal year ended December 31, 2025 and our audited opening balance sheet dated March 24, 2025. We have not been in business for three years or more

and cannot include all the financial statements required by the FTC Franchise Rule. Our fiscal year ends on each December 31st.

ITEM 22. CONTRACTS

Exhibit E contains the Franchise Agreement with State Specific Addenda.
Exhibit F contains the General Release.

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.

ITEM 23. RECEIPTS

Exhibit H contains detachable documents acknowledging your receipt of the disclosure document. The receipt is signed by all prospective franchisees and their spouses.

EXHIBIT A

STATE ADMINISTRATORS

California

Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, California 95834
(916) 327-7585
www.dfpi.ca.gov
toll free number 1-866-275-2677
email Ask.DFPI@dfpi.ca.gov

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
State of Hawaii
335 Merchant Street, 2nd Floor
Honolulu, Hawaii 96813
(808) 586-2744

Illinois

Franchise Bureau
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana

Franchise Section
Indiana Securities Division
302 West Washington, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Michigan

State of Michigan
Department of Attorney General
Consumer Protection
Attention: Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48933
(517) 335-7567

Minnesota

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1600

New York

NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st Fl
New York, New York 10005
(212) 416-8222

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue, 5th Floor
Bismarck, North Dakota 58505-0510
(701) 328-4712

Oregon

Department of Consumer and Business Services
Division of Finance and Corporate Securities
State of Oregon
Labor and Industries Building
350 Winter Street, N.E.
Salem, Oregon 97301
(503) 378-4140

Rhode Island

Securities Division
Department of Business Regulations
State of Rhode Island
1511 Pontiac Avenue, Bldg. 69-1
Cranston, Rhode Island 02920
(401) 462-9527

South Dakota

Director
Division of Securities
Department of Labor and Regulation
State of South Dakota
124 South Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
Commonwealth of Virginia
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Washington

Director
Department of Financial Institutions
Securities Division
State of Washington
150 Israel Road, S.W.
Tumwater, Washington 98501
(360) 902-8760

Wisconsin

Administrator of Division of Securities
Department of Financial Institutions
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703
(608) 266-2801

EXHIBIT B

AGENTS FOR SERVICE OF PROCESS

California

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, California 95834
www.dfpi.ca.gov
toll free number 1-866-275-2677
email Ask.DFPI@dfpi.ca.gov

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
State of Hawaii
335 Merchant Street, 2nd Floor
Honolulu, Hawaii 96813

Illinois

Illinois Attorney General
State of Illinois
500 South Second Street
Springfield, Illinois 62706

Indiana

Secretary of State
State of Indiana
201 Statehouse
Indianapolis, Indiana 46204

Maryland

Maryland Securities Commissioner
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan

State of Michigan
Department of Attorney General
Consumer Protection
Attention: Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48933

Minnesota

Commissioner of Commerce
Minnesota Department of Commerce
Securities Unit
85 7th Place East
St. Paul, Minnesota 55101

New York

New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue, 5th Floor
Bismarck, North Dakota 58505-0510

Oregon

Director
Department of Consumer and Business Services
Division of Finance and Corporate Securities
State of Oregon
Labor and Industries Building
350 Winter Street, N.E.
Salem, Oregon 97301

Rhode Island

Director of Business Regulation
Department of Business Regulation
Divisions of Securities
State of Rhode Island
1511 Pontiac Avenue, Bldg. 69-1
Cranston, Rhode Island 02920

South Dakota

Director of the Division of Securities
Department of Labor and Regulation
State of South Dakota
124 South Euclid, Suite 104
Pierre, South Dakota 57501

Virginia

Clerk, Virginia State Corporation Commission
State of Virginia
1300 East Main Street
Richmond, Virginia 23219

Washington

Director of Financial Institutions
Securities Division
State of Washington
150 Israel Road, S.W.
Tumwater, Washington 98501

Wisconsin

Administrator, Division of Securities
Department of Financial Institutions
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703

EXHIBIT C

FRANCHISEE INFORMATION
As of December 31, 2025

EXHIBIT C-1: OPERATING FRANCHISES

None

EXHIBIT C-2: FRANCHISES NOT YET OPERATING

None

Exhibit D

GRACE INTEGRATED FRANCHISING LLC

FINANCIAL STATEMENTS

AUDITED FINANCIAL STATEMENTS: December 31, 2025 and March 24, 2025



GRACE INTEGRATED FRANCHISING, LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

AS OF DECEMBER 31, 2025



GRACE INTEGRATED FRANCHISING, LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Members
Grace Integrated Franchising, LLC
Lombard, IL

Opinion

We have audited the accompanying financial statements of Grace Integrated Franchising, LLC, which comprise the balance sheet as of December 31, 2025, and the related statements of operations, members' deficit, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Grace Integrated Franchising, LLC as of December 31, 2025, and the related statements of operations, members' deficit 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.

Other Matter

The financial statements of Grace Integrated Franchising, LLC for the period ended February 10, 2025, were previously audited by us, and our report dated March 24, 2025 expressed an unmodified opinion on those financial statements. The financial statements presented in this report include that period and supersede the previously issued financial statements. Accordingly, our auditor's report dated March 24, 2025 should no longer be relied upon. Our opinion is not modified with respect to this matter.

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

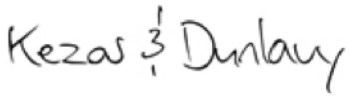
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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.



St. George, Utah
April 9, 2026

GRACE INTEGRATED FRANCHISING LLC

BALANCE SHEET

As of December 31, 2025

	2025
Assets	
Current assets	
Cash	$ 10,000
Total current assets	10,000
Total assets	$ 10,000
Liabilities and Member's Deficit	
Current liabilities	
Due to related party	$ 15,527
Total current liabilities	15,527
Total liabilities	15,527
Members' deficit	(5,527)
Total liabilities and members' deficit	$ 10,000

The accompanying notes to the financial statements are integral part of these financial statements

GRACE INTEGRATED FRANCHISING LLC
STATEMENTS OF OPERATIONS AND MEMBERS' DEFICIT
For the Year Ended December 31, 2025

	2025
Operating revenues	$ -
Operating expenses	
Professional fees	14,731
General and administrative	796
Total operating expenses	15,527
Net loss	$ (15,527)
Beginning members' equity	$ -
Members' contributions	124,100
Members' distributions	(114,100)
Net loss	(15,527)
Ending members' deficit	$ (5,527)

The accompanying notes to the financial statements are integral part of these financial statements

GRACE INTEGRATED FRANCHISING LLC

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2025

	2025
Cash flows from operating activities:	
Net loss	$ (15,527)
Changes in operating assets and liabilities:	
Due to related party	15,527
Net cash provided by operating activities	-
Cash flows from financing activities:	
Members' contributions	124,100
Members' distributions	(114,100)
Net cash flows provided by financing activities	10,000
Net change in cash and cash equivalents	10,000
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	$ 10,000
Supplemental disclosures of cash flow	
Cash paid for interest and taxes	$ -

The accompanying notes to the financial statements are integral part of these financial statements

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

(a) Nature of Business

Grace Integrated Franchising, LLC ("the Company") was formed on January 30, 2025, as an Illinois limited liability company. The Company's administrative office is located in Lombard, Illinois. The Company was established to grant franchisees the right to operate therapy and wellness clinics under the name "Grace Integrated".

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

(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 accounting principles generally 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.

(e) Income Taxes

The Company is structured as a limited liability company under the laws of the state of Illinois and has elected to be taxed as an S corporation for federal income tax purposes. Accordingly, the Company's income or loss is generally passed through to its members and reported on their individual income tax returns. Therefore, no provision for federal income taxes is recorded in the accompanying financial statements. The Company is subject to certain state-level taxes.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not recognition threshold and measurement methodology for uncertain tax positions. If taxing authorities were to disallow any tax positions taken by the Company, any resulting tax liability would generally be passed through to the members rather than borne by the Company. Accordingly, there would be minimal impact 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, 2025, no tax years are currently under examination.

(f) 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.

(2) Related Party Transactions

The Company is related to Grace Integrated PLLC through common ownership. The affiliate pays certain franchise-related expenses on behalf of the Company. Total expenses paid by the affiliate during the year ended December 31, 2025, were $15,527. As of year-end, the balance due to the affiliate was $15,527. The outstanding balance is due on demand and is non-interest bearing.

(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 Topic 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 9, 2026, which is the date on which the financial statements were issued.



GRACE INTEGRATED FRANCHISING, LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

AS OF FEBRUARY 10, 2025 AND FOR THE PERIOD FROM INCEPTION (JANUARY 30, 2025) TO FEBRUARY 10, 2025



GRACE INTEGRATED FRANCHISING, LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Members
Grace Integrated Franchising, LLC
Lombard, IL

Opinion

We have audited the accompanying financial statements of Grace Integrated Franchising, LLC, which comprise the balance sheet as of February 10, 2025, and the related statements of operations, member's equity, and cash flows for the period from inception (January 30, 2025) to February 10, 2025, and the related notes to the financial statements.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Grace Integrated Franchising, LLC as of February 10, 2025, and the related statements of operations, member's equity and cash flows for the period from inception (January 30, 2025) to February 10, 2025 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.

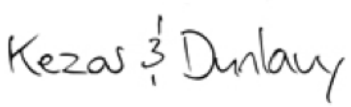
In performing an audit in accordance with generally accepted auditing standards, we:

- 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.



St. George, Utah
March 24, 2025

GRACE INTEGRATED FRANCHISING LLC

BALANCE SHEET

As of February 10, 2025

	2025
Assets	
Current assets	
Cash	$ 50,000
Total current assets	50,000
Total assets	$ 50,000
Liabilities and Member's Equity	
Total liabilities	$ -
Member's equity	50,000
Total member's equity	50,000
Total liabilities and member's equity	$ 50,000

The accompanying notes to the financial statements are integral part of these financial statements

GRACE INTEGRATED FRANCHISING LLC

STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY

For the Period from Inception (January 30, 2025) to February 10, 2025

	2025
Operating revenues	$ -
Operating expenses	-
Net income	$ -
Beginning member's equity	$ -
Members' contributions	50,000
Net income	-
Ending member's equity	$ 50,000

The accompanying notes to the financial statements are integral part of these financial statements

GRACE INTEGRATED FRANCHISING LLC

STATEMENT OF CASH FLOWS

For the Period from Inception (January 30, 2025) to February 10, 2025

	2025
Net income	$ -
Cash flows from financing activities:	
Members' contribution	50,000
Cash flows provided by financing activities	50,000
Net change in cash and cash equivalents	50,000
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	$ 50,000
Supplemental disclosures of cash flow	
Cash paid for interest and taxes	$ -

The accompanying notes to the financial statements are integral part of these financial statements

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

(a) Nature of Business

Grace Integrated Franchising, LLC ("the Company") was formed on January 30, 2025, as an Illinois limited liability company. The Company's administrative office is located in Lombard, Illinois. The Company was established to grant franchisees the right to operate therapy and wellness clinics under the name "Grace Integrated".

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 February 10, 2025, the Company had cash and cash equivalents of $50,000.

(e) Income Taxes

The Company is structured as a limited liability company under the laws of the state of Illinois. Accordingly, the income or loss of the Company will be included in the income tax returns of the members. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 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 members 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 February 10, 2025, no tax years are subject to examination.

(f) 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.

(2) 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 Topic 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.

(3) Subsequent Events

Management has reviewed and evaluated subsequent events through March 24, 2025, which is the date on which the financial statements were issued.

EXHIBIT E

GRACE INTEGRATED™

FRANCHISE AGREEMENT

GRACE INTEGRATED FRANCHISING LLC

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SCHEDULE A - FRANCHISEE INFORMATION
SCHEDULE B - LEASE RIDER
STATE SPECIFIC ADDENDA

FRANCHISE AGREEMENT

This Agreement ("Agreement") is made as of the date noted on Schedule A between Grace Integrated Franchising LLC, an Illinois limited liability company located at 414 Plaza Drive, Suite 301, Westmont, Illinois 60559 (hereinafter called the "Company") and the party(ies) listed on Schedule A (hereinafter called the "Franchisee"), for one Grace Integrated business to be located in the State listed on Schedule A.

RECITALS

A. The Company franchises a behavioral healthcare outpatient clinic providing services to adults and children under the "Grace Integrated" trade name and trade and service mark (the "Marks") using certain procedures, techniques, business methods, business forms, business policies and a body of knowledge pertaining to the establishment and operation of the franchised businesses (the "System") and all collectively known as the "Franchised Business".

B. The Franchisee acknowledges that Franchisee does not presently know these procedures, techniques, business methods or business policies, nor does the Franchisee have these business forms or access to the Company's body of knowledge.

C. Franchisee's Franchised Business may be converted from an existing clinic not operated under the Marks or System ("Conversion Clinic") or may be a new startup Franchised Business ("New Clinic"); all requirements and obligations upon Franchisee and the Franchised Business apply regardless of if the Franchised Business is converted or newly established.

D. Company offers two models of the Franchised Business, each of which must be operated under the continuous supervision of a Clinic Director and Operating Principal (each as hereinafter defined) and in each of which only Licensed Providers may provide any regulated services and products (*e.g.* mental health counseling, behavioral healthcare, and therapy):

(1) "Licensed Provider Business" model: If Franchisee is licensed as a Licensed Provider (as hereinafter defined) permitted to own and operate the Franchised Business under applicable state law, Franchisee may own a Franchised Business and provide services directly as permitted by applicable law; or

(2) "Management Business" model: If Franchisee is not properly licensed or otherwise permitted to provide the necessary medical services under applicable law, then under the Management Business model for the ownership, development, and operation of a Franchised Business, Franchisee must develop and operate a management business (the "Management Business") that provides management, administrative, marketing, technology, and facility-based services, but not medically regulated products, services, advice, or judgment (the "Management Services") to a "Practice Entity" (as hereinafter defined) that is directly operated, and potentially owned, by one or more Licensed Providers (the "Management Business" model). Franchisee must also enter into a management services agreement with a Practice Entity that Company approves to provide the Practice Entity and its Licensed Providers the Management Services (the "Management Agreement") and grant them a sublicense to use the System and Marks at or through the Franchised Business. All owners of the Management Business and the Practice Entity must sign the Management Agreement directly as well as each's spouse (if any). The Grace Integrated behavioral healthcare outpatient clinic that is owned and operated by the Practice Entity and managed by the Franchisee pursuant to the Management Agreement and using the System and Marks may be referred to as the clinic and/or as the Franchised Business. Franchisee will be responsible for construction and build-out of the Franchised Business for use by itself, the Practice Entity, and its Licensed Providers, and ensuring that the Practice Entity and its Licensed Providers operate the Franchised Business in conformance with

Company's System, specifications, and standards, but only the Licensed Providers are permitted to exercise professional or medical judgment and to offer behavioral healthcare and/or other regulated products and services. A "Practice Entity" means 1 or more Licensed Providers, working together, typically as a professional corporation, professional limited liability company, or other professional entity, who are licensed to offer and provide outpatient counseling, behavioral healthcare, and therapy products and services under applicable local, state, and federal laws and regulations.

The applicable model for this Agreement is specified on Schedule A to this Agreement.

E. The Franchisee intends to enter the Franchised Business and desires access to the Company's System pertaining to the operation of the Franchised Business. In addition, the Franchisee desires access to information pertaining to new developments and techniques in the Company's Franchised Business.

F. The Franchisee desires to participate in the use of the Marks in connection with one Franchised Business location to be located solely at a site approved by the Company and the Franchisee.

G. The Franchisee understands that information received from the Company or from any of its officers, managers, members, employees, agents or franchisees is confidential and has been developed with a great deal of effort and expense. The Franchisee acknowledges that the information is being made available to Franchisee so that Franchisee may more effectively establish and operate a Franchised Business.

H. The Company has granted, and will continue to grant, to others access to its System.

I. The Company has licensed, and will continue to license, others to use the Marks in connection with the operation of Franchised Businesses.

AGREEMENT

Acknowledging the above recitals, the parties hereto agree as follows:

1. Initial Fees.

A. Franchise Fee. Franchisee shall pay to Company a Franchise Fee of $55,000 which shall not be refunded in any event. The Franchise Fee is due upon the signing of this Agreement. For Illinois franchisees, the Company shall defer collection of the Franchise Fee until Franchisee commenced its business operations; the Illinois Attorney General's Office imposed this deferral requirement due to Company's financial condition.

B. Opening Package Fee. If Franchisee requests, and Company approves (which approval or disapproval shall be at Company's sole discretion), that Company provide support and guidance with the Franchised Business' premises décor, aesthetics, and space planning, then Franchisee shall pay to Company the nonrefundable $2,500 Opening Package Fee upon the signing of this Agreement.

C. Management Agreement Review Fee.

1. If the Franchised Business will operate subject to a Management Agreement (whether for compliance with state corporate practice of medicine requirements or otherwise), Franchisee shall hire its own attorney to independently prepare, evaluate, and review a Management Agreement that complies with all applicable laws, rules, and regulations, and which must be approved by Company before execution and the opening of the Franchised Business. Franchisee shall submit to Company within 45 days

after the date of this Agreement a draft of the proposed Management Agreement for review and approval by Company. Franchisee shall pay Company for such review and approval at the rate of $600 per hour or such other amount as specified in the then-current Operations Manual (the "Management Review Fee"). The Management Review Fee is nonrefundable. At the time of signing this Agreement, Franchisee shall pay to Company a nonrefundable $2,000 deposit which Company shall apply towards paying the amount due by Franchisee for the actual Management Review Fee (such amount will not be known until the Company's review and approval have been completed). Company makes no representation or warranty as to the enforceability of any Management Agreement, or whether any Management Agreement meets the legal requirements of the jurisdiction in which Franchisee and the Practice Entity (owned by a Licensed Provider) do business. Franchisee acknowledges and agrees that it is solely Franchisee's and the Practice Entity's responsibility to ensure the Management Agreement meets all laws and regulations applicable to the Franchised Business. The Management Agreement shall indemnify, defend and hold Company harmless for any claims arising out of any non-compliant activities stemming or related to the ownership structure that Franchisee determines to use for Franchisee and/or form of Management Agreement used with that Practice Entity (or other eligible provider).

2. Franchisee may not amend, modify, or terminate the Management Agreement during the Term of the Franchise without Company's approval and any such amendment, modification, termination, or adoption of any Management Agreement shall be void ab initio if done without Company's prior written approval. During the term of this Agreement, if Franchisee desires to amend, modify, or terminate its existing Management Agreement, or if Franchisee desires to adopt a new Management Agreement, Franchisee shall pay Company its then-current Management Agreement Review Fee (or a deposit towards the then-current Management Agreement Review Fee) within ten days of demand by Company.

2. <u>Royalty Fee</u>.

A. The Franchisee shall also pay to the Company, monthly or more frequently as the Company may designate, a Royalty Fee (as hereinafter defined) throughout the term of this Agreement equal to (a) from Month 0 through 3, $0 per Licensed Provider (as hereinafter defined) per month, (b) from Month 4 through 6, $250 per Licensed Provider per month, and (c) from Month 7 and thereafter of operations, $500 per Licensed Provider per month (subject to increases in the Consumer Price Index, as provided in Section 11 of this Agreement and the Operations Manual). For purposes of this Agreement, the months referenced are calculated beginning when the Franchisee opens for business to the public, which is agreed to be the start of month 0, and months shall be counted as a full month whether actually full or partial; *e.g.* a Franchised Business opening on May 22 would have May 22-31 as its "Month 0" and June 1-30 as its "Month 1." For a Licensed Provider starting work mid-month, the first month when Royalty Fees and other amounts related to their work begin is the calendar month in which they commence work, whether full or partial, and the month in which they separate is the last month related to which the Royalty Fee would be due associated with them; *e.g.* the Franchised Business would include a Licensed Provider commencing work on August 3 or August 19 in the same monthly "per Licensed Provider per month" calculation. The Company reserves the right to have Franchisee utilize the electronic funds transfer system and/or other similar means to remit all amounts due under this Agreement. All amounts listed are subject to increases in the Consumer Price Index, as provided in Section 11 of this Agreement and the Operations Manual.

B. The parties mutually agree, acknowledge and recognize that payment of the Royalty Fee and/or other payments described are not intended to and shall not be interpreted or implied as permitting Company to share in fees for medical services if prohibited by applicable law, but is acknowledged as the parties' negotiated fair market value compensation for the services and licenses furnished by Company pursuant to this Agreement. The parties acknowledge and agree that none of the benefits granted to the parties under this Agreement is conditioned on any requirement or expectation that the parties make referrals or to be in a position to make or influence referrals to, or otherwise generate business for the other party. The parties further acknowledge that neither party is restricted from referring any service to, or otherwise generating any business for, any other entity of its choosing, provided that

neither the Clinic Director, Practice Entity, nor Franchisee may directly or indirectly receive or accept rebates, benefits, allowances, or other material consideration from any supplier or other vendor to the Practice Entity or Franchisee.

3. Grant. The Company hereby grants to the Franchisee:

A. Access to the System pertaining to the operation of the Franchised Business;

B. Access to information pertaining to new developments and techniques in the Franchised Business; and

C. A limited non-exclusive license to use of the Company's rights in and to the Marks according to this Agreement and the Company's Operations Manual in connection with the operation of one Franchised Business to be located at a site approved by the Company and the Franchisee. Except as the Company may permit from time to time in its sole discretion, the Company and Franchisee agree that Franchisee shall not sell products or services by the Internet or by mail order or catalog, nor shall Franchisee sell any products or components of the products or services at wholesale.

D. Franchisee shall at all times faithfully, honestly and diligently perform Franchisee's obligations under this Agreement, continuously exert Franchisee's best efforts to promote and enhance the Franchised Business and not engage in any other business or activity that conflicts with Franchisee's obligations to operate the Franchised Business in compliance with this Agreement. Franchisee may market the Franchised Business and solicit customers and referrals anywhere it is lawful to do so. Franchisee must designate an "Operating Principal," who shall devote full time and best efforts to the Franchised Business and the Operating Principal shall have full authority to bind Franchisee regarding all operational decisions about the Franchised Business and to communicate on behalf of Franchisee with the Company, provided that in the event the Operating Principal is not also the Clinic Director (as hereinafter defined), then the Clinic Director will have oversight responsibilities over aspects of the Franchised Business that involve the provision of health or medical products and services and the exercise of medical judgment. Franchisee may be the Operating Principal or Franchisee may designate an Operating Principal other than Franchisee (i) who has successfully completed all training Company requires including payment for such training at the rates established in this Agreement, and (ii) whom Company has pre-approved to be the Operating Principal. In the event the Franchised Business loses its Operating Principal for any reason, a new Operating Principal must be obtained and designated within thirty (30) days of the date of separation of the immediately prior Operating Principal; failure to timely obtain and designate a new Operating Principal shall be a non-curable default. The Franchised Business shall at all times be under the continuous, direct, on-premises supervision of Franchisee, Operating Principal or Franchisee's designated manager who has attended and passed the training program and has been pre-approved by Company, as well as the Clinic Director in the event the Operating Principal is not also the Clinic Director.

E. Company may enfranchise or operate any other Grace Integrated business anywhere. Company may operate and enfranchise anywhere any business under different trademarks and may conduct anywhere any business using the Marks or System on the Internet or by any other alternate channel of distribution. Company may assign a potential client or referral that Company receives to any Grace Integrated clinic based on Company's and/or Franchisee's current policies and appointment availability as Company determines in the interests of the client, regardless of proximity of the client to the Franchised Business and without any obligation or compensation to Franchisee.

F. Company and its affiliates retain, the right, in its sole discretion, to acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether similar, competitive, or not), with facilities located anywhere, and including arrangements in which (i) other facilities are (or are not) converted to the Grace Integrated brand or other format (including using the System and/or Marks) and/or (ii) the Company and/or any of the Company's affiliates are acquired, and/or company-owned, franchised or other businesses are converted to another format, maintained under the

System or otherwise. All Franchised Businesses owned by Franchisee will fully participate in any such conversion, at Franchisee's expense; provided, however, Franchisee shall have a period of twelve (12) months to complete the conversion for a Franchised Business, and the Company will contribute a pro-rated amount up to $5,000, based upon the remaining term of the Franchise Agreement, toward the costs and expense of replacing exterior and interior signage at the Franchised Business.

4. Company Obligations. The Company agrees to:

A. Provide an initial training program for the operation of the Franchised Business for up to six people, including at least the Franchisee and Operating Principal, Clinic Director, the practice manager, the scheduler, the biller, and other manager(s) (individually, each person attending initial training is a "Trainee" and collectively, the "Trainees"). The Trainees, presently and in the future, must attend and pass the training program before operating Franchisee's Franchised Business at least two weeks before opening the Franchised Business. The Franchisee shall pay all travel, lodging, meals, and other expenses incurred by the Trainees, if any, in attending the initial training program. If the Company determines, in its sole discretion, that any Trainee(s) do(es) not pass the training program, the Company shall have the right to terminate this Agreement, effective upon delivery of written notice thereof to Franchisee. Company will not be liable to return any franchise fee, any other amounts, or pay any costs or expenses Franchisee incurs if Company terminates this Agreement because any Trainee(s) do(es) not pass the training program. In the event (i) any Trainee(s) fail(s) to pass the initial training and an additional attendee attends in their place or (ii) Franchisee sends another Trainee to an initial training course, for any reason, including without limitation due to turnover in Franchisee's ongoing operations, then Franchisee shall pay the Company a training fee at Company's then-current rate, plus any travel, payroll and living expenses if Company accepts Franchisee's request for Company to send a representative to conduct the training of another Trainee at Franchisee's location.

B. Provide pre-opening and opening supervision assistance by Company's personnel at Franchisee's location.

C. Provide a continuing advisory service by telephone, or other digital, virtual, or electronic means or at Company's home office concerning the operation of Franchisee's Franchised Business.

D. Provide at Company's option additional assistance upon the written request of the Franchisee, or upon Company's determination the Franchised Business is operating below required standards, for operational, clinical, nonclinical, administrative and/or general business advice and assistance, at a cost to the Franchisee based on the Company's then-current fee for the Company's personnel performing such assistance, plus other reasonable expenses, including without limitation all travel, lodging, meals, and other expenses.

E. Provide, at Franchisee's request and Company's approval (which approval or disapproval shall be at Company's sole discretion), support and guidance with the Franchised Business' premises décor, aesthetics, and space planning. Franchisee shall pay to Company the Opening Package Fee upon the signing of this Agreement.

F. Franchisee acknowledges and agrees that any duty, right, or obligation imposed on the Company by this Agreement may be performed or received by any designee, employee, agent or contractor, as Company may direct.

5. Franchisee Obligations. The Franchisee agrees to:

A. Commence Operation. Commence operating the Franchised Business within 6 months after the date of this Agreement. If Franchisee has either (i) not provided Company with a copy of the fully executed lease for the Franchised Business within 2 months after the date of this Agreement or (ii) not commenced operating the Franchised Business within 6 months after the date of this Agreement,

this Agreement shall automatically terminate. Franchisee acknowledges and agrees that Franchisee is responsible for obtaining a location for the Franchised Business acceptable to the Company. If Franchisee has not located and the Company has not approved a location for the Franchised Business as of the date of this Agreement, Franchisee agrees that, within six (2) months after the date of this Agreement, Franchisee will select a location to be approved by the Company and obtain lawful possession of it through a lease. Upon approval of the location for the Franchised Business, the Company will, in accordance with its standard practices, complete Schedule A to this Agreement describing the location. The Company's acceptance or approval of any location is not a representation or warranty of any kind, express or implied, as to the success or profitability of the Franchised Business. The Company does not guarantee the sales, profits or success of the Franchised Business.

B. Lease the Premises. Lease the premises of the Franchised Business in the form and manner prescribed by the Company and deliver a copy of the executed lease to the Company immediately after its execution. The Franchisee agrees not to execute any lease which has not been approved in writing by the Company. If the Franchisee's business premises is to be leased, the lease shall be submitted to the Company for written approval at least fifteen days before it is scheduled to be executed. Such approval shall not be unreasonably withheld. If the Franchisee leases the Franchisee's business premises, the lease must include language contained in the Lease Rider which is attached hereto as Schedule B. The lease shall give the Company, its agents or designees the right to enter the Premises to conduct inspections at any time during regular business hours, the right to receive notices of default directly from the lessor and the right, but not the duty, to assume the lease for all or any part of the term, if the Franchisee defaults under the lease, is evicted or if this Agreement expires or is terminated. The Franchisee further agrees it shall not lease or sublet all or any part of the Franchisee's business premises to others or use any portion of the premises for any purpose other than conducting business pursuant to this Agreement without the Company's prior written consent. If the Franchisee wants to relocate the Franchised Business, the Franchisee must notify Company in writing and pay to the Company ten percent (10%) of the then-current initial franchise fee for a non-discounted first franchise, and which shall be paid in full at least 60 days prior to the relocation. In addition, for any supervision or assistance by Company's personnel at Franchisee's location around when the Franchised Business re-opens to the public, Franchisee shall pay Company the then-current daily fee for the Company's personnel, plus other reasonable expenses, including without limitation, all travel, lodging, meals, and other expenses. Company reserves the right to refuse to approve a proposed relocation in its sole discretion, including without limitation if Company believes that the proposed relocation is for any reason not acceptable to Company. Company's judgment may be based on factors such as the proximity to existing or proposed locations owned by other franchisees or Company, the suitability of the proposed facilities, compliance with Company's then-current franchise location requirements, the competitiveness within the marketplace or other factors. Company's approval of the location and the lease does not constitute a guaranty or a representation of the likelihood of success of the location or the viability of the lease terms. Franchisee is encouraged to employ the services of a real estate attorney for legal advice regarding the terms of the lease.

C. Construct the Franchised Business. Franchisee shall promptly after obtaining possession of the site for the Franchised Business: (i) cause to be prepared and submit for approval by Company a site survey, architectural plans, specifications, and including, if made available by Company in its sole discretion, any modifications to Company's basic plans, layouts, and/or specifications (not for construction) for the Franchised Business (including requirements for dimensions, exterior design, materials, interior design and layout, equipment, fixtures, furniture, signs and decorating) required for the development of the Franchised Business at the site leased or purchased therefore, provided that Franchisee may modify Company's basic plans, layouts, and/or specifications (if any are provided, in Company's sole discretion) only to the extent required to comply with all applicable ordinances, building codes and permit requirements and with prior notification to and approval by Company (such approval shall not be construed as a guaranty, representation or warranty concerning the likelihood of success of such location); (ii) obtain all required zoning changes, building, utility, health, sanitation and sign permits and licenses and any other required permits and licenses; (iii) purchase or lease equipment, fixtures, furniture and signs provided herein; (iv) complete the construction and/or remodeling, equipment, furniture and sign installation and decorating of the Franchised Business in full and strict compliance with plans and specifications theretofore

approved by Company and all applicable ordinances, building codes and permit requirements; (v) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services; (vi) purchase in accordance with the Company's specifications and requirements, an initial inventory of products and supplies required for the Franchised Business; (vii) establish filing, accounting and inventory control systems conforming to the requirements presented by the Company; and (viii) otherwise complete development of and have the Franchised Business ready to open and commence the conduct of its business in accordance with the terms of this Agreement. The Franchisee agrees it will not open the Franchised Business for business without the Company's prior written approval. Within one hundred twenty (120) days of Franchisee's opening the Franchised Business to the public, Franchisee agrees to submit information, in the format prescribed by the Company, regarding all of its costs incurred to construct and open the Franchised Business and all costs and expenses incurred during the first three (3) months after it opened to the public.

D. Lease Renewal. Prior to renewal of the lease, Company must review and approve the lease renewal. Company's approval of the lease renewal shall be conditioned upon the inclusion of terms in the lease acceptable to Company, including but not limited to those provisions required to be included in a lease for a location as specified in this Agreement. Company's approval of the lease renewal does not constitute a guaranty or a representation of the likelihood of success of the location or of the viability of the lease terms. Franchisee is encouraged to employ the services of a real estate attorney for legal advice regarding the terms of the lease. As a condition to approving the lease renewal, Franchisee may be required to remodel, modernize, and redecorate the premises of the Franchised Business at Franchisee's cost so that the Franchised Business reflects the then-current image intended to be portrayed by Franchised Businesses. Upon receiving a request for a lease renewal, Company shall furnish Franchisee with a written notice of any deficiencies or other matters which require correction and a schedule for corrections by Franchisee relating to the image, appearance, decoration, furnishings, equipment and stocking of the Franchised Business and a schedule for effecting upgrading or modifications in order to bring the Franchised Business in compliance with the Company's then-current standards. The fee for Company's services in connection with the lease renewal and the process for evaluating the necessary upgrades is based upon the costs incurred by the Company and is due and payable to Company upon the execution of the lease renewal by the landlord for the Franchised Business premises.

E. Remodel the Premises. Franchisee shall be required to periodically make reasonable capital expenditures to re-equip, remodel, modernize and/or redecorate the premises of the Franchised Business so that the Franchised Business will reflect the then-current image intended to be portrayed by Franchised Businesses. All remodeling, modernization, or redecoration of the premises of the Franchised Business and all re-equipping and replacing of vehicles, equipment, signs or other assets of the Franchised Business must be done in accordance with the standards and specifications as prescribed by Company from time to time and with the prior written approval of Company. All replacements must conform to Company's then-current quality standards and specifications and must be approved by Company in writing.

F. Conduct the Franchised Business According to System Standards. Conduct the Franchised Business offering only such services and products as Company authorizes from time to time. During the development and operation of the Franchised Business, Franchisee agrees to follow Company's specifications, standards, methods and operating procedures (the "System Standards"). Franchisee agrees to develop and operate the Franchised Business in accordance with each and every System Standard, as periodically modified or supplemented by the Company. System Standards may govern all aspects of the development and operation of the Franchised Business including, without limitation, the following: (1) performance, quality and other relevant characteristics of the services and products offered by the Franchised Business; (2) use of the Marks and protection of confidential information; (3) types of authorized equipment, vehicles, supplies and products; (4) designated and approved suppliers including, without limitation, Company or its affiliates for the purchase of services and/or equipment and the Company's proprietary services and/or products; (5) minimum hours of operation and required days and times for services that may change from time to time; (6) participation in market research and testing and product and service development programs prescribed by Company; (7) qualifications,

training, appearance and attitude of the Franchised Business' employees; (8) use and retention of standard forms; (9) use of standard formats; (10) use of computer hardware and software; (11) adoption of technological developments or advances; (12) the addition or deletion of new products and/or services; and (13) minimum and maximum prices for products and services offered or sold by the Franchised Business, to the extent legally permissible. All services and products shall be sold only in the weights, sizes, forms, models, and packaging approved by the Company. Franchisee shall bear all costs and expenses pertaining to the development, operation, and maintenance of the Franchised Business and Franchisee's compliance with the System Standards as periodically modified or supplemented by Company. Franchisee acknowledges and agrees that it will be required to continuously update, upgrade, and/or add to its equipment, technology, hardware, and software at its sole cost and expense as Company may direct, advise, or require from time to time. Franchisee may not delegate or subcontract to any other party, or otherwise use resources outside the Franchised Business, to fulfill its obligations under this Agreement or to any customer. If Franchisee is not a Licensed Provider or Clinic Director, the corporate practice of medicine doctrine may restrict Franchisee and/or the Operating Principal from choosing or designating (i) the medical equipment and supplies used by the Franchised Business, and/or (ii) the licensed services and products offered, as well as restricting Franchisee's and the Operating Principal's oversight responsibilities and abilities.

G. <u>Operating and Maintaining the Franchised Business</u>. Operate and maintain the Franchised Business in accordance with Company's specifications and procedures contained in the Operations Manual. All costs and expenses pertaining to operating and maintaining the Franchised Business shall be borne solely by the Franchisee. The Franchisee agrees to purchase, lease, and/or use only those accreditation and credentialing and contracting firms and services, safety training services, electronic medical record software and/or services provider, practice management software and/or services provider, medical and insurance billing software and/or services provider, accounting firms and software, architecture services and providers, real estate services and providers, construction and/or general contractor services and providers, financial analysis and management product(s) or service(s), technology providers and/or platforms, insurance agents, merchant processing, gift cards, gift card platforms and providers, customer loyalty programs, membership programs, other service providers, items of equipment, vehicles, inventory, music provider, audio or visual entertainment provider, decor, payroll processing, human resources services, employee scheduling and time tracking services and providers, social media (all aspects including without limitation marketing, advertising, activities, and presence), email platform including without limitation email campaigns provider, computer hardware and software, (including without limitation for business management, recruiting, inventory management, point of sale (POS) and customer relations management (CRM)) systems and providers, phone and security hardware and software, including without limitation security cameras, doorbells, educational systems and/or software, payment and/or invoicing software, business management software, learning management system, appointment management system, booking system, event ticketing system, floor plan management, reports, waivers, training, other technology, food and beverage suppliers, graphic design services, interior design services, supplies, promotional and marketing services and printing providers, apparel, signs, and comparable items that the Company has approved for a Franchised Business as meeting its specifications and standards for appearance, function, trade dress, design, quality and performance (if any) related to establishing or operating the Franchised Business and to purchase or lease them only from the Company, its affiliates or suppliers approved by the Company (if any). If the Franchisee proposes to purchase, lease, or otherwise use any accreditation and/or credentialing and/or contracting firms and services, safety training services, electronic medical record software and/or services provider, practice management software and/or services provider, medical and insurance billing software and/or services provider, accounting firm and software, architecture services and providers, real estate services and providers, construction and/or general contractor services and providers, financial analysis and management product(s) or service(s), technology providers and/or platforms, insurance agents, merchant processing, gift cards, gift card platforms and providers, customer loyalty programs, membership programs, other service providers, items of equipment, vehicles, inventory, music provider, audio or visual entertainment provider, decor, payroll processing, human resources services, employee scheduling and/or time tracking services and providers, social media (all aspects including without limitation marketing, advertising, activities, and presence), email platform including without limitation email campaigns provider, computer hardware and software, (including without

limitation for business management, recruiting, inventory management, point of sale (POS) and customer relations management (CRM)) systems and providers, phone and security hardware and software, including without limitation security cameras, doorbells, educational systems and/or software, payment and/or invoicing software, business management software, learning management system, appointment management system, booking system, event ticketing system, floor plan management, reports, waivers, training, other technology, food and beverage suppliers, graphic design services, interior design services, supplies, promotional and marketing services and printing providers, apparel, signs, and/or comparable items which is not then approved by the Company or from a supplier not then approved by the Company, the Franchisee shall first notify the Company in writing and shall submit to the Company sufficient specifications, photographs, drawings, samples, and information, along with the Company's then-current fee for each person which the Company provides for this determination plus reasonable expenses, for a determination by the Company of whether such proposed supplier, goods, or services complies with its specifications and standards relating to among other factors quality, price, consistency, reliability, financial capability, and customer relations, which determination shall be made and communicated in writing to the Franchisee within six months of receiving all requested information; the maximum fee would be $5,000. Franchisee acknowledges, agrees and accepts that Company and its affiliates may be making a profit on Franchisee's and/or Franchisee's customers' purchases, leases, and/or license(s) when Franchisee purchases, leases, or license(s) any goods or services from the Company or its affiliates or a designated supplier or an approved supplier. The Franchisee shall maintain the Franchised Business, equipment, vehicles, and furnishings in good repair, attractive appearance, and sound operating condition. The Franchisee, at Franchisee's expense, shall do the repairs, re-equipping, and remodeling requested by Company. The Franchisee shall make no material replacements of or alterations to the vehicles, equipment, signs or other assets of the Franchised Business without prior written approval by the Company.

1. The Franchised Business, including without limitation, all individuals working with patients, must be continuously under the supervision of a designated "Clinic Director" who meets all of the Company's requirements for a Clinic Director in the Operations Manual and all legal requirements, is a "Licensed Provider" (as hereinafter defined), and who has successfully completed all training Company requires including payment for such training at the rates established in this Agreement, and whom Company has pre-approved to be the Clinic Director. Franchisee acknowledges and agrees that in the event the Franchised Business no longer has a full-time Clinic Director for any reason, (i) Franchisee must, within twenty-four (24) hours of the separation of the Clinic Director from the Franchised Business, notify the Company of such event and the circumstances surrounding it; (ii) must hire a replacement Clinic Director and promptly have the replacement Clinic Director complete training with the Company at Franchisee's sole cost and expense; (iii) the Franchised Business may not be permitted to operate due to the lack of a Clinic Director; and (iv) in the event that the Franchised Business does not hire a replacement Clinic Director within thirty (30) days of the date of separation of the prior Clinic Director, Company may terminate the Franchise Agreement without notice or further time or opportunity for the Franchisee to cure, and such termination shall be effective upon the Company giving notice of the termination. The Franchised Business shall at all times be under the continuous, direct, on-premises supervision of Franchisee, Operating Principal or Franchisee's designated manager who has attended and passed the training program and has been pre-approved by Company, as well as the Clinic Director in the event the Operating Principal is not also the Clinic Director. "Full time" as used in this paragraph 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.

2. Additionally, Franchisee must employ additional individuals to serve as the "Licensed Provider(s)" which means a counselor or therapist licensed or otherwise permitted to provide outpatient counseling, behavioral healthcare, and therapy products and services, directly or indirectly, at or through the Franchised Business under applicable local, state, and federal laws and regulations (whether working part-time or full-time, whether providing services for a full or partial month, and whether retained as an employee or independent contractor). To the greatest extent possible, Licensed Providers shall be subject to the same non-competition, non-solicitation, and non-disclosure limitations as Franchisee is. Franchisee is solely responsible for ensuring that it and its Licensed Providers at all times: (a) meet and maintain in good standing all legal and regulatory requirements necessary for the functions that they

perform, including any Industry Regulations (as hereinafter defined), and have all licenses, board certifications, individual screenings and/or background checks as required; and (b) perform the services and conduct themselves in a professional and ethical manner consistent with Professional Standards (as hereinafter defined) as well as industry standards. After Franchisee begins operating and throughout the remaining term of this Agreement, Franchisee must employ a sufficient number of Licensed Providers as necessary to timely provide all services that Franchisee contracts to provide to the clients of the Franchised Business and to satisfy Company's System standards for professional service. Franchisee will not employ (or otherwise allow to provide services) any person in a position that requires a license or certification unless that person is currently licensed or certified by all applicable authorities and professional organizations and a copy of such licenses or permits are in Franchisee's business files. Franchisee has sole responsibility for compliance despite any information or advice that Company may provide. Each of the Licensed Providers must have qualifications reasonably acceptable to Company for the functions that each will perform in the Franchised Business, and must complete to Company's satisfaction all training that Company may require.

3. The Licensed Providers providing services to clients of the Franchised Business will at all times be free to exercise their professional judgment on behalf of clients, subject to all applicable laws, Industry Regulations (as hereinafter defined), and Professional Standards (as hereinafter defined) including without limitation the standards of any professional organization(s) to which the Franchised Business and/or Licensed Providers are subject. Patients have complete freedom to select where and from whom to obtain behavioral healthcare and/or other regulated services. Company requires, and all states also require, that any person who provides counseling, behavioral healthcare, and therapy products and services and/or other regulated services or products through the Franchised Business pass all applicable licensing tests and board certifications, be licensed mental health professionals according to state law, and maintain at all times all permits, licenses, and certificates necessary to provide these products and services. Franchisee 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 mental health services. Franchisee must obtain and maintain all required permits, licenses, and certificates necessary for the operation of the Franchised Business and for offering counseling, behavioral healthcare, and therapy products and services.

4. To the extent that any act or service that Company may be required or permitted to undertake by any provision of this Agreement may be construed or deemed to constitute the practice of medicine or the provision of healthcare services, or the ownership or control of a healthcare or medical practice, said provision of this Agreement will be void ab initio and the performance of said act or service by Company will be deemed waived by Franchisee. By granting Franchisee a franchise, Company is not engaging in the practice of medicine, mental health, counseling, behavioral healthcare, therapy, or any other profession that requires specialized training, licensure, or certification. Any inconsistency between the standards of the System or the advice of Company, 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.

H. <u>Operate in Compliance with Law and Manual</u>. Operate the Franchised Business in compliance with all applicable laws and governmental regulations, including without limitation, corporate practice of medicine, accreditation, credentialing, offering medical services, privacy and security laws and regulations (*e.g.* HIPAA (as hereinafter defined) and other state and federal privacy and security laws, laws governing medical and behavioral health services, laws around fee-splitting, self-referral restrictions (including the federal "Stark Law" and similar state laws), anti-kickback laws (including the Federal Medicare Anti-Kickback Statute and similar state laws), government regulations relating to occupational hazards, medical payment fraud and abuse, use of medical devices, advertising of medical services, insurance (including health, workers' compensation and unemployment coverages), loyalty and gift card programs, the withholding and payment of federal and state income taxes, social security taxes and sales and service taxes, payment systems for medical benefits available to individuals through insurance and government resources (including Medicare and Medicaid and the Medicare Anti-Assignment Rule prohibiting assignment of payments from federal health programs to anyone other than the provider),

and access to the Franchised Business by persons with disabilities (under the federal Americans with Disabilities Act and state law). Franchisee must act in accordance with all standards and requirements of various accreditation agencies. The Franchisee will obtain at Franchisee's expense, and keep in force, any and all permits, accreditations, licenses and/or other consents required for the leasing, construction and/or operation of the Franchised Business. Franchisee agrees that it will comply not only with the terms of this Agreement, but also with all of the laws and regulations (the "Industry Regulations") that apply to System services and Franchised Businesses, and comply with all codes of professional and ethical conduct issued by any professional organizations the Company designates and any successor organizations (the "Professional Standards"). The term Industry Regulations may include (among other things) the 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. This discussion of certain laws and regulations here or by Company later is not a substitute for individual legal advice and counsel or guidance from regulatory agencies, as appropriate. Company is not responsible to notify Franchisee of changes to any or any new laws and regulations. Franchisee is solely responsible for investigating and monitoring all changes and for keeping abreast of new and changed laws and regulations. In addition, the Franchisee shall operate the Franchised Business in accordance with the Company's Operations Manual which may be amended from time to time as a result of experience, changes in the law, and/or changes in the marketplace. Franchisee must complete all requirements as Company may periodically specify in the Manuals with respect to background checks on each Licensed Provider and any other individuals employed or contracted by the Franchisee before any such individual may provide services to clients of the Franchised Business. The Franchisee agrees to conform to such amendments, and to make all reasonable expenditures necessitated by the amendments, within the time periods reasonably established by the Company. The Operations Manual as amended is intended to further the purposes of this Agreement and is specifically incorporated into this Agreement such that it shall constitute provisions of this Agreement as if fully set forth herein. Franchisee must complete all requirements as Company may periodically specify in the Manuals. Company shall loan Franchisee one copy of the Company's Operations Manual either as a hard paper copy or an electronic copy. The Franchisee must keep its copy of the Operations Manual current, and the master copy of the Operations Manual maintained by the Company controls if there is a dispute regarding the contents of the Operations Manual. Franchisee shall not copy any part of the Operations Manual, permit any part of it to be copied, or disclose it to anyone not having a need to know its contents for purposes of operating the Franchised Business without Company's permission. The Franchisee shall refrain from conducting any business or selling any services or products other than those approved by the Company. Franchisee may not provide services to a minor unless and until the minor's parent or guardian signs a form authorizing the provision of such services (and potentially agreement to pay for such service). The Franchisee shall use Franchisee's best efforts to promote and enhance the Franchised Business for the full term of this Agreement. The Company may operate for the benefit of franchisees who are in compliance with the System Standards a system of fines which Franchisee would pay for violations of some policies of the Operations Manual. For example, if the Franchisee's employees do not wear the proper attire, then the Franchisee would pay a fine. The system of fines would be described and updated in the Operations Manual. The Company reserves the right to utilize the electronic funds transfer system and/or other similar means to implement the operational fine system. In addition to other remedies available to the Company and not in lieu of any others, if Franchisee is not in compliance with the terms of the Agreement, the Company may require Franchisee to pay its then-current non-compliance fee per incident or per day, whichever is applicable. Company 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. Company 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. Company may from time to time update the forms provided to Franchisee and 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.

1. Franchisee and the Franchised Business understand and agree that operation of the Franchised Business requires the Franchisee and the Franchised Business to comply with all applicable laws and regulations including, without limitation, HIPAA. As used in this Agreement, "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder, all as may be amended from time to time. The Franchised Business is likely to be a "Covered Entity" as defined in HIPAA.

HIPAA imposes requirements with respect to the privacy and security of "protected health information" as defined in HIPAA and sometimes referred to as "PHI." One of those requirements limits the conditions under which the Franchisee and/or the Franchised Business may disclose PHI to a third party (a "Business Associate" as defined in HIPAA) that performs certain services on behalf of the Franchised Business. HIPAA also limits a Business Associate's use or retention of any PHI it receives from the Franchised Business as a Covered Entity. HIPAA requires each Covered Entity and its Business Associate to enter into a "Business Associate Agreement" or "BAA" that sets forth the HIPAA requirements with respect to PHI.

The Company is not a Business Associate of the Franchised Business and the parties are not signing a Business Associate Agreement at this time. Therefore the Franchised Business shall not disclose any PHI to the Company or permit it to have access to any PHI unless and until otherwise agreed in writing by the Franchisee, the Franchised Business, and the Company including execution of a BAA as described below.

If in the future circumstances change and the Company is willing to serve as a Business Associate, a BAA must be signed before any PHI may be disclosed or made accessible to the Company. The Company may then provide a form of BAA, in the Operations Manual or otherwise, for the Franchised Business and the Company to sign. In the event that Franchisee and/or the Franchised Business suggests use of its own form of BAA, the Franchisee and the Franchised Business shall promptly reimburse the Company for its legal fees incurred in having its counsel review and negotiate the terms of such alternate BAA and related matters.

I. <u>Purchase and Maintain Insurance</u>. Purchase and maintain at all times during the term of this Agreement at Franchisee's sole expense such insurance coverage as Company may, in its sole discretion, prescribe from time to time including, but not limited to, professional liability coverage for all Licensed Providers, workers' compensation, comprehensive public liability and property damage, professional liability, coverage for molestation and other malfeasance with children, vehicle liability, cyber risk/security liability, business interruption and general and umbrella coverages. Such insurance coverage shall be maintained under one or more policies of insurance of the types and containing such terms and conditions and minimum liability protection in such amounts, as are specified from time to time by Company and issued by insurance carriers and insurance agents approved by Company. Company may from time to time increase the minimum amount of coverage required under any policy, and require different or additional kinds of insurance to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All insurance policies required hereunder shall name Company (and its affiliates, officers, directors, managers, shareholders, members and employees) as additional insureds, shall contain a waiver by the insurance carrier of all subrogation rights against Company (and the above additional insureds) and shall provide that Company will receive thirty (30) days advance written notice of termination, expiration or cancellation or modification of any such policy. Prior to Franchisee's commencement of operations, and annually thereafter, Franchisee shall furnish to Company a copy of the certificate, or other evidence of the insurance, renewal, or extension of each such insurance policy, together with evidence of payment of premiums, evidencing the required limits. If Franchisee does not maintain such insurance as required, the Company may, at its option and in addition to its other rights and remedies hereunder, but shall not be obligated to, obtain such insurance and keep the same in full force and effect on Franchisee's behalf, and Franchisee shall reimburse the Company for all premiums incurred by the Company in connection with obtaining such insurance plus a fifteen percent service charge. In addition, the Franchisee shall defend, indemnify and save the Company harmless from any liability or claim of any type that arises in connection with the operation of the Franchised Business.

J. Use the Accounting and Records System. Use the bookkeeping, accounting, and record keeping system, software, services, and vendors prescribed by the Company and submit to the Company such periodic reports, forms, and records as specified, and in the manner and at the time specified, in the Operations Manual. To ensure uniform financial statements are submitted by Franchisee, the Franchisee agrees to use the Company's standard accounting method (accrual or cash basis), chart of accounts, balance sheet format, and profit and loss report format for tracking income and expense items for the Franchised Business, and the Company may also require Franchisee to provide Company and/or a designee continuous direct, recurring access to its bookkeeping, accounting, and record keeping statements, system, technology, and/or software upon notice from the Company. For a period of five years from their date of preparation, the Franchisee will keep on file at the Franchisee's principal office and make available to the Company all such records, including, without limitation, the following: receipts, invoices, payroll records, check stubs, bank deposit receipts, sales tax records and returns, business and personal tax returns, and such journals and transactions which properly summarize the transactions of the Franchised Business. The Franchisee hereby grants permission to the Company to examine all records of any supplier pertaining to Franchisee's purchases.

1. The Franchisee shall furnish to the Company the following minimum reports among others: (i) by the third day after the end of the month, a telephonic or other electronic report (as the Company designates) of the number of Licensed Providers and Gross Sales (as hereinafter defined) of the Franchised Business for the preceding month; (ii) by the fifth day after the end of the month, a written report of the number of Licensed Providers and Gross Sales of the Franchised Business for the preceding month; (iii) by the fifteenth day after each calendar month, a profit and loss statement for the preceding calendar month and a year-to-date profit and loss statement and balance sheet; and (iv) within seventy-five days after the end of each calendar year, a calendar year end balance sheet and an annual profit and loss statement for the calendar year reflecting all year-end adjustments. The Franchisee must verify and sign all reports submitted to the Company; if Franchisee submits any report to Company, it shall be deemed conclusive evidence of Franchisee's verification of the report contents. If the Franchisee fails to report Franchisee's number of Licensed Providers and/or Gross Sales on a timely basis, the Company may estimate Franchisee's number of Licensed Providers and/or Gross Sales; the Company may then deposit any unpaid Royalty Fee, Brand Fund contribution or other amount due by use of the electronic funds transfer system and/or other similar means. The Franchisee authorizes the Company to utilize the Franchisee's name, business address and telephone number, home address and telephone number, revenues, expenses, profits and/or any other data supplied by Franchisee in such manner and for such purposes as the Company may desire, including but not limited to, operations reports, advertising reports, other business reports and in any publication, disclosure document, or advertisement related to the sale of franchised businesses or related entities by Company, anywhere, at any time, without specific compensation therefore.

(a) "Gross Sales" means all billed sales or revenues, receipts, and other amounts derived directly or indirectly from the Franchisee's Franchised Business, including on-premises sales and monies derived at or away from the Franchised Business, whether from cash, check, credit and debit card, third-party payment related to a customer of the Franchised Business (*e.g.* insurance payment or reimbursement), trade credit or credit transactions, including without limitation business interruption insurance proceeds and service charges in lieu of gratuity, but excluding (i) sales taxes collected from customers and paid to the appropriate taxing authority and (ii) the amount of all coupons and/or discounts applied at the Franchised Business (but only if the coupons and discounts have been previously approved by the Company as provided in this Agreement and only if such coupons and discounts have been included in Gross Sales). In the event of any legal reason(s) why a percentage-based fee or other fees may not be used with the Franchised Business, Franchisee agrees to pay the fees Company establishes in its sole discretion in lieu of the fees described herein.

(b) Franchisee authorizes Company to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of any amounts payable to Company. Franchisee shall make the funds available to Company 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 any such 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. Franchisee shall at all times maintain a minimum balance in the designated checking or savings account for payments of any amounts to Company or its affiliates/designees in an amount the Company specifies from time to time.

2. The Company may require the Franchisee to utilize a computer system, including without limitation electronic medical record software and/or services provider, practice management software and/or services provider, medical and insurance billing software and/or services provider, payroll and employee scheduling software and/or provider, credit/debit card system, customer relations management (CRM) system, the Software Program, and/or software, payment and invoicing, POS, merchant processor, and business management software and other hardware and software that are fully compatible with any programs or system that the Company, in its discretion, employs from time to time. All Gross Sales and sales related information shall be recorded on such equipment. The Company shall have full access to all of Franchisee's data, system and related information by means of direct access whether in person or by telephone/modem or other electronic means.

3. The Franchisee shall allow the Company's representatives to enter, without prior notice, Franchisee's business premises during business hours to inspect and audit Franchisee's business operations, records, and reports. In the event any such inspection or audit shall disclose an understatement of the Gross Sales of the Franchised Business for any period, the Franchisee shall pay to the Company or its designee within ten days after receipt of the inspection or audit report, the Royalty Fee, Brand Fund contribution, and other fees or amounts due plus interest and late fees due on the amount of the understatement. Further, in the event such audit is made necessary by the failure of the Franchisee to furnish reports, financial statements, tax returns or schedules as herein required, or if an understatement of the number of Licensed Providers or Gross Sales for any period is determined by any such inspection or audit to be greater than two percent, the Franchisee shall reimburse the Company for the cost of such inspection or audit including without limitation the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of employees or agents of the Company and the Company shall have the right to require the Franchisee to furnish, at the Franchisee's sole cost and expense, audited financial statements thereafter. In addition, the Franchisee shall pay for all costs, as specified above, of the inspection and audit if Franchisee's books and records are not produced at the time of the inspection and audit, provided that the Company notified the Franchisee at least five days prior to the scheduled inspection and audit date. The Company shall have the right to review the operation and administration of the Franchised Business by quality control testing, periodic field reviews and such other tests, reviews and inspections and other reasonable actions deemed desirable by the Company.

4. The Franchisee acknowledges that to assure compliance with this Agreement, Company shall have the unrestricted right to enter the Franchised Business to examine the operations and facilities including, but not limited to, testing, sampling, inspecting and observing the rendering of the services and products sold by Franchisee in order to ascertain compliance or noncompliance with this Agreement. Franchisee shall be under an affirmative duty to cooperate with Company or its duly authorized representatives in any such inspection by rendering any assistance as may be reasonably requested. Company shall have the right to observe, photograph, record and video tape the Franchisee's business operations for such consecutive or intermittent periods as Company deems necessary. Company shall have the right to interview personnel and customers of the Franchised Business.

5. The Company shall have the right to implement a third-party mystery shopper program at the Franchised Business. The Company may require the Franchisee to pay the cost of the program to the third-party mystery shopper firm directly or to remit the monies to the Company which will then pay the third-party mystery shopper firm.

6. The Company may contract with third-party firms to perform periodic quality assurance audits of the Franchised Business. The Company may require the Franchisee to pay the cost of the quality assurance audits to the quality assurance firm directly or to remit the monies to the Company which will then pay the quality assurance firm.

7. Franchisee acknowledges that the quality of customer service, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the relationship created hereby. Therefore, Franchisee shall endeavor to maintain high standards of quality and service in the operation of the Franchised Business. Franchisee shall at all times give prompt, courteous and efficient service to customers of the Franchised Business. The Franchised Business shall, in all dealings with its customers, vendors and the general public adhere to the highest standards of honesty, fair dealing and ethical conduct. If Company deems that Franchisee did not fairly handle a customer complaint, Company has the right to intervene and satisfy the customer. Company has the right to terminate this Agreement for repeated violation of this Section. Franchisee must respond within forty-eight (48) hours to each and every customer complaint and must offer a full refund as a way to resolve any customer complaint. Franchisee must respond within, at most, one (1) business day to all customer inquiries for services from the Franchised Business. Franchisee shall pay to Company the Company's then-current customer resolution fee and reimburse Company for all costs incurred by Company in servicing a customer of the Franchised Business pursuant to this Section.

8. Upon the occurrence of a Crisis Management Event, Franchisee agrees to immediately inform Company of such event and to cooperate fully with Company and with the appropriate authorities with respect to the investigation of the Crisis Management Event. In an effort to mitigate possible damages to the Marks and the System, Franchisee must cooperate fully with Company with respect to managing statements and other responses to the Crisis Management Event. "Crisis Management Event" means any event that occurs at or about the Franchised Business premises or in connection with the operation of the Franchised Business that has or may cause harm or injury to customers or employees, such as injury to a patient or worker, child harm, unlawful release of medical or employment records or other personally identifiable information in violation of any privacy or other laws, contagious diseases, natural disasters, terrorist acts, shootings or other acts of violence, data incidents and/or breaches, all real or threatened, or any other circumstance which may materially and adversely affect the System or the goodwill symbolized by the Marks.

K. <u>Refrain from Owning Conflicting or Competing Interests</u>. Not be directly or indirectly associated as an employee, proprietor, stockholder, partner, member, agent, officer, or director, consultant, representative, manager, spouse, parent, sibling or in any other capacity with, or operate, engage, own, invest in, or participate in any other business offering outpatient behavioral health services, during the term of this Agreement, except as a duly licensed Grace Integrated franchisee. Franchisee shall not own, engage or participate in any other business, directly or indirectly, during the term of this Agreement, which franchises or otherwise grants to others the right to operate a business offering outpatient behavioral health services. Franchisee shall operate the Franchised Business in a manner which maximizes Franchisee's Gross Sales consistent with sound marketing and business practices, and Franchisee shall not engage in any business practice which reduces Franchisee's Gross Sales. Franchisee shall not solicit or employ or contract with any person who is a current or former employee or independent contractor of Company or any other Grace Integrated business at any time during the twelve-month period immediately prior thereto.

L. <u>Contribute to the Brand Fund</u>. Franchisee agrees to contribute to the brand fund (the "Brand Fund") for such advertising and marketing programs throughout the term of this Agreement the amount equal to (a) from Month 0 through 3, $0 per Licensed Provider per month, (b) from Month 4 through 6, $100 per Licensed Provider per month, or (c) from Month 7 and thereafter of operations, $200 per Licensed Provider per month (subject to increases in the Consumer Price Index, as provided in Section 11 of this Agreement and the Operations Manual). The Company shall direct all advertising and marketing programs financed by the Brand Fund, with sole discretion over the creative concepts, materials and endorsements used therein, and the geographic, market and media placement and allocation thereof. Brand Fund contributions shall be paid together with the Royalty Fee due hereunder.

1. Franchisee agrees that 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. These programs and activities may include, without limitation, creating direct mail and media materials, formulating advertising and marketing programs, developing and maintaining website and internet-based advertising and marketing programs, 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 to assist therewith, 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 for Grace Integrated businesses, and participating in any national or regional trade shows or other activities that Company, in its sole discretion, deems appropriate. Through the Brand Fund, the Company may furnish Franchisee with approved advertising and marketing materials on the same terms and conditions as such materials are furnished to other Grace Integrated businesses. The Brand Fund shall be accounted for separately from the other funds of the Company and shall not be used to defray the Company's general operating expenses, except for such reasonable salaries, administrative costs and overhead as the Company may incur in activities reasonably related to the administration of the Brand Fund and its advertising and marketing programs (including, without limitation, conducting market and product/service research, preparing advertising and marketing materials and collecting and accounting for contributions to the Brand Fund and the marketing, advertising, and sale of franchises). The Company shall be authorized to spend in any fiscal year an amount greater or less than the aggregate contribution of all Grace Integrated businesses to the Brand Fund in that year; and the Brand Fund may borrow from the Company 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 the receipts and disbursements of the Brand Fund, which may be audited, shall be prepared annually and shall be made available to Franchisee upon written request. The cost of preparing the report shall be paid by the Brand Fund. Franchisee understands and acknowledges that the Brand Fund is intended to maximize general public recognition and patronage of the Marks and Grace Integrated businesses for the benefit of all Grace Integrated businesses and that the Company undertakes no obligation in administering the Brand Fund to ensure that expenditures which are proportionate or equivalent to Franchisee's contributions are made for the market area of the Franchised Business or that any Grace Integrated business benefits directly or pro rata from the conduct of marketing programs or the placement of advertising. Except as expressly provided in this Section, the Company assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the Brand Fund.

2. The Company shall also be allowed to cause the Brand Fund to be incorporated or operated through an entity separate from the Company at such time as the Company deems appropriate; such entity shall have the same rights and duties as the Company does pursuant to this Section. Upon thirty days prior written notice to Franchisee, the Company shall have the right, in its sole discretion, (i) to suspend contributions to and operation of the Brand Fund for one or more periods that Company determines to be appropriate or (ii) to terminate the Brand Fund. The Company shall distribute all unspent monies of the Brand Fund which was terminated to the Company, its affiliates and franchisees in proportion to their respective contributions to the Brand Fund during the preceding twelve-month period. The Company shall have the right to reinstate the Brand Fund upon the same terms and conditions as set forth in this Agreement, upon thirty days prior written notice to Franchisee.

3. Franchisee shall spend within one month before the opening of the Franchised Business a minimum of $3,000 on local advertising, marketing and promotion of the opening of the Franchised Business in accordance with an opening marketing plan approved by the Company. These grand opening expenditures are in addition to the Brand Fund contributions specified above.

4. Provided that a majority of the Grace Integrated business locations in Franchisee's ad-coverage area agree to participate in the program, Franchisee shall participate in and contribute its share to additional advertising and promotional programs in Franchisee's ad-coverage area. The cost of the program shall be allocated among the locations in such area and each location's share shall be in proportion to its sales during the preceding twelve (12) month period and/or may be a flat amount. "Ad-coverage area" shall be defined as the area covered by the advertising medium (television, radio or

other media) as recognized in the industry. At the time a program is submitted, Company shall submit a list of all operating locations within the ad-coverage area.

5. In addition to Franchisee's obligations to pay into the Brand Fund and to pay for the grand opening expenditures, as set forth above, Franchisee agrees to expend quarterly on local advertising and promotions of the Franchised Business and the Marks in each fiscal year of the Company at least one percent of Franchisee's Gross Sales. Amounts contributed to the ad-coverage area advertising and promotions requirement pursuant to the prior paragraph shall be credited towards Franchisee's requirement for local advertising and promotions under this paragraph. Expenditures in any fiscal year in excess of such minimum advertising requirement shall not be credited against minimum advertising requirements for any other fiscal year. The Company shall have the right to review Franchisee's books and records from time to time to determine Franchisee's expenditures for such required advertising and promotion, and Franchisee shall submit an accounting of its expenditures for such required advertising and promotion within fifteen (15) days of the end of each calendar quarter. If the Company determines that Franchisee has not spent the requisite amount, the Company may require Franchisee to pay such unexpended amounts to the Brand Fund. At any time, Company may require Franchisee to pay the above local advertising and promotions amount to the Company or to a designated or approved supplier for spending on local advertising and promotions instead of Franchisee spending such amounts directly. In addition to the above local advertising, Franchisee agrees to maintain a membership and subscription to "Psychology Today" and all Licensed Providers shall have public, searchable profiles on the Psychology Today website; Company may change any aspect of this requirement in its sole discretion to require different or additional methods of advertising.

6. For purposes of the foregoing minimum advertising requirements, advertising expenditures shall include contributions to Company-approved advertising cooperatives, and amounts expended for advertising media such as television, radio, newspaper, billboards, magazines, posters, direct mail, social media marketing if approved by the Company, program booklet advertising, collateral promotional and novelty items, advertising on public vehicles, and, if not provided by the Company, the cost of producing approved materials necessary to participate in these media, including advertising agency commissions related to the production of such advertising. Advertising expenditures shall not include payments for items which the Company, in its reasonable judgment, deems inappropriate for meeting the minimum advertising requirements, including, without limitation, payments in connection with permanent on-premises signs, lighting, purchasing or maintaining vehicles, even though such vehicles may display the Marks, and other payments.

7. Prior to their use by Franchisee, samples of all local advertising, promotion and public relations materials not prepared or previously approved by the Company shall be submitted to the Company for approval, which shall not be unreasonably withheld. If written disapproval is not received by Franchisee within fourteen (14) days from the date of receipt by the Company of such materials, the Company shall be deemed to have given the required approval. Franchisee shall not use any advertising, promotion or public relations materials that the Company has disapproved. Franchisee shall not use the name, photo(s), likeness, or other image(s) or other identifiable information of any individual (minor child or adult) the Franchised Business serves or served in its advertising, promotion, or public relations materials unless (i) Franchisee has secured the prior written consent of the parent to the use of the respective individual's (and/or their guardian's), name, image, and/or likeness and (ii) Franchisee's use complies with all applicable laws.

8. Company may establish, acquire, or host any website(s) to advertise, market, and promote Grace Integrated businesses, the products and services that they offer and sell, and/or a Grace Integrated franchise opportunity (each a "Franchise System Website"). Company may (but is not required to) provide Franchisee with a webpage on a Franchise System Website that references Franchisee's Franchised Business for informational purposes only. If Company provides Franchisee with a webpage on a Franchise System Website, Franchisee must: (i) provide Company the information and materials Company requests to develop, update, and modify Franchisee's webpage; (ii) notify Company whenever any information on Franchisee's webpage is not accurate; and (iii) if, from time to time, Company

gives Franchisee permission to modify Franchisee's webpage, notify Company whenever Franchisee changes the content of Franchisee's webpage about what was changed and when. Company will own all intellectual property and other rights in all Franchise System Websites, including Franchisee's 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). Company may permit Franchisee to sell products and/or services through the Franchise System Website from time to time in Company's sole discretion. All amounts due to Company or any designated vendor related to establishing and maintaining its Franchise System Website and/or other online media (*e.g.* establishing its online booking or reservations platform) will be borne by Franchisee.

Company may use Brand Fund assets to develop, maintain and update any Franchise System Website. Company periodically may update and modify any Franchise System Website (including Franchisee's webpage). Franchisee acknowledges that Company has final approval rights over all information on any Franchise System Website (including Franchisee's webpage). Company may implement and periodically modify system standards relating to any Franchise System Website.

Even if Company provides Franchisee a webpage on a Franchise System Website, Company will only maintain this webpage while Franchisee is in full compliance with this Agreement and all system standards which Company implements (including without limitation those relating to Franchise System Websites). If Franchisee is in default of any obligation under this Agreement or Company's system standards, then Company may temporarily remove Franchisee's webpage from any Franchise System Website (or all Franchise System Websites) until Franchisee fully cures the default. Company will permanently remove Franchisee's webpage from all Franchise System Websites upon this Agreement's expiration or termination.

Company may require Franchisee to provide notice of any Franchise System Website in the advertising, marketing, and promotional materials that Franchisee develops for Franchisee's Franchised Business in the manner Company designates. Company reserves the sole right to sell the products and services sold by Grace Integrated businesses on the internet through Franchise System Websites; Company may permit Franchisee to sell products and services through the Franchise System Websites from time to time in its sole discretion. Franchisee agrees that Franchisee will not sell any Grace Integrated products or services to customers on a website through the internet or through any alternative channels of distribution without the Company's prior written consent, which Franchisee acknowledges and agrees Company may withdraw at any time.

Company reserves the right to require Franchisee to obtain from Company and use an email address associated with Company's registered domain name. If Company requires Franchisee to obtain and use such an email address, Franchisee must do so according to Company's then-current terms and conditions which currently includes a fifteen dollars per month per email address charge.

Except as provided above, or as approved by Company in writing, Franchisee may not develop, maintain or authorize any website, domain name, URL address, email address, other online presence or other electronic medium that mentions Franchisee's Franchised Business, links to any Franchise System Website or displays any of the Marks, or engage 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. If Company approves the use of any such websites, other online presences or electronic mediums, including social networking websites (such as LinkedIn®, X®, Instagram®, Facebook®, or YouTube®) in the operation of Franchisee's Franchised Business, or the posting of messages relating to Franchisee's Franchised Business on other websites, Franchisee will do so only in accordance with Company's guidelines, which may include without limitation that Company shall receive access credentials (username and password or similar that provide the ability to author, delete, and respond to any posts or messages) to such social networking websites, and notwithstanding anything to the contrary, Company shall be the sole owner of all such posts, messages, content, etc. Company reserves the right to require Company's pre-approval of any message Franchisee composes for a social networking website or commentary for any other website before Franchisee posts such message or commentary. Company

reserves the right to manage and implement all social media content and messages related to the Franchised Business and may do so itself or through a designated third-party.

M. Use the Marks Properly. Use the Marks as the sole identification of the Franchised Business, provided that Franchisee shall identify himself as the independent owner thereof in the manner prescribed by the Company. Franchisee shall not use any Marks as part of any company or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form, nor may Franchisee use any Marks in connection with the sale of any unauthorized service or product or in any other manner not expressly authorized in writing by the Company. Franchisee shall pay to Company an unauthorized products or services fee equal to the greater of $250 per day per use, or the amount stated in the Operations Manual, when Franchisee sells, offers for sale or uses an unauthorized product or service. Franchisee agrees to display the Marks in the manner prescribed by the Company on or in connection with signs, posters, displays, service contracts, stationery and other forms Company designates. Further, Franchisee agrees to give such notices of trademark or service mark registrations and copyrights as the Company specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law. All bank accounts, licenses, permits or other similar documents shall contain the actual name of the person or entity owning the Franchised Business and may contain "d/b/a Grace Integrated". Any sign face bearing the Marks shall remain the property of the Company even though the Franchisee may have paid a third party to make the sign faces.

1. Franchisee shall immediately notify the Company in writing of any apparent infringement of or challenge to Franchisee's use of any Marks, or claim by any person of any rights in any Marks or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee shall not communicate with any person other than the Company and its counsel in connection with any such infringement, challenge or claim. The Company and its affiliates shall have sole discretion to take such action as they deem appropriate and the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Marks and Company is not required to take affirmative action when notified of such use or claim. Franchisee agrees to execute any and all instruments and documents, render such assistance and do such acts and things as may, in the opinion of the Company's counsel, or the counsel of the Company's affiliates, be necessary or advisable to protect and maintain the interests of the Company and its affiliates in any such litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding or to otherwise protect and maintain the interests of the Company and its affiliates in the Marks. Franchisee acknowledges, accepts and agrees that neither the Company nor its affiliates have a federal trademark registration for "Grace Integrated" and that the Company cannot reliably prohibit others from using "Grace Integrated" or ensure that Franchisee may use the Marks. The Company does not undertake to indemnify or defend Franchisee for any claims or matters related to the Marks brought by any third-party(ies).

2. If it becomes advisable at any time, in the Company's sole discretion, for the Company and/or Franchisee to modify or discontinue use of any Marks, and/or use one or more additional or substitute trademarks or service marks, Franchisee agrees to comply therewith a reasonable time after notice thereof by the Company (agreed not to exceed sixty (60) days), and the sole liability and obligation of the Company and its affiliates in any such event shall be to reimburse Franchisee for the out-of-pocket costs of complying with this obligation.

3. Franchisee acknowledges the Company's prior rights in and to the Marks and that Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the conduct of Franchisee's business pursuant to and in compliance with this Agreement and all applicable specifications, standards and operating procedures prescribed by the Company from time to time during the term of this Agreement. Any unauthorized use of the Marks by Franchisee shall constitute an infringement of the rights of the Company in and to the Marks. Franchisee agrees that all usage of the Marks by Franchisee and any goodwill established thereby shall inure to the exclusive benefit of the Company, and Franchisee acknowledges that this Agreement does not confer any goodwill or other interest in the Marks upon Franchisee. All provisions of this Agreement applicable to the Marks shall apply to any

additional trademarks, service marks, logo forms and commercial symbols hereafter authorized for use by and licensed to Franchisee pursuant to this Agreement.

4. Any improvements or additions to the System, website or any other documents or information pertaining to or relating to the System or the Franchised Business, or any new trade names, trade and service marks (whether claimed under common law or from federal or state agencies), logos, or commercial symbols related to the Franchised Business or any advertising and promotional ideas or inventions related to the Franchised Business (collectively, the "Improvements") conceived or developed or used by Franchisee shall become Company's property. Franchisee agrees to assign and does hereby assign to Company, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. Franchisee shall fully disclose the Improvements to Company, without disclosure of the Improvements to others, and shall obtain Company's written approval prior to using such Improvements. Any such Improvement may be used by Company and all of Company's other businesses without any obligation to Franchisee for royalties or other fees. Company may, at Company's discretion, apply for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and Franchisee shall cooperate with Company in securing such rights. Company may also consider such Improvements as Company's property and trade secrets. In return, Company shall, in accordance with the other terms of this Agreement, authorize Franchisee to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees. All Improvements created by Franchisee or any other person or entity retained or employed by Franchisee are Company's property, and Company shall be entitled to use and license others to use such Improvements unencumbered by moral rights. If any of the Improvements are copyrightable materials, they shall be works made for hire within the meaning of the United States Copyright Act and, to the extent the copyrightable materials are not works made for hire or rights in the copyrightable materials do not automatically accrue to Company, Franchisee irrevocably assigns and agrees to assign to Company, and Company's successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such copyrighted materials, which Franchisee and the author of such copyrighted materials warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Improvements from another person or entity necessary to ensure Company's right in the Improvements as required in this Section.

5. Company shall be entitled to use and publish in printed and digital publications and on websites the name, likeness and voice of Franchisee and its Agents for purposes of promoting the franchise, the Franchisee, the Company and its services and products, including all photos and audio and video recordings of Franchisee and its Agents, and Franchisee hereby irrevocably consents thereto. Franchisee acknowledges that Company will own all right, title and interest, to the extent allowed by law, in all rights of integrity, disclosure and publication and any other rights that may be known as or referred to as "moral rights," "artist's rights," "publicity rights" or the like associated with such photos and audio and video recordings, and assigns and transfers unto Company the full and exclusive right, title and interest to such rights. Franchisee agrees and irrevocably authorizes Company to edit, alter, copy, exhibit, publish or distribute any photograph or audio or video of Franchisee for any lawful purpose. Franchisee agrees and waives any rights to royalties or any other compensation related to Company's use of any photograph, audio or video of Franchisee. Franchisee agrees to hold harmless and forever discharges Company from all claims, demands, and causes of action which Franchisee may have in connection with this authorization. For purposes of this Agreement, the term "Agents" means Franchisee's principals, directors, officers, shareholders, members, managers and employees.

N. <u>Methods of Payment and Data Security</u>. Maintain, at all times, credit-card relationships with the credit and debit card issuers or sponsors, check or credit verification services, gift card providers, financial-center services, merchant service providers, and electronic-funds-transfer systems (together, "<u>Credit Card Vendors</u>") that Company may periodically designate as mandatory. The term "Credit Card Vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Pay"). Franchisee agrees not to use any Credit Card Vendor for which Company has not given Franchisee

Company's prior written approval or as to which Company has revoked Company's earlier approval. Company has the right to modify Company's requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke Company's approval of any service provider. Franchisee must also accept checks and other methods of payment which Company specifies, including without limitation insurance reimbursement. Company may require Franchisee to obtain such services through Company or Company's affiliates.

Franchisee must at all times ensure that Franchisee is in compliance with the applicable regulations and requirements issued by the credit card processing companies and banking industries. Franchisee agrees to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that Company may reasonably specify. Among other things, Franchisee agrees to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

O. <u>Make Prompt Payment of All Amounts Due</u>. Make prompt payment of all amounts due to the Company and its affiliates and to suppliers, vendors, lessors, utilities and any landlord of the Franchised Business. Royalty Fees, Brand Fund contributions, and any other amounts Franchisee owes to the Company or its affiliates shall bear interest, compounded from the date due until fully paid, at the rate of two percent per month; provided however, that in the event such rate exceeds the maximum rate allowable by applicable law, such amounts will bear interest at such maximum rate. Franchisee shall also pay the Company and its affiliates a late fee of the greater of $250 or the amount stated in the Operations Manual for every notification or demand for payment, or for non-sufficient funds payments by check or electronic transfer, or for failure to timely provide required reports and financial statements, or for any other violation of this Agreement. Franchisee acknowledges that the interest and late fee do not constitute the Company's agreement to accept payments after they are due and are in addition to any other remedy available to the Company, including without limitation default and termination of this Agreement. Time is of the essence of this Agreement. The Company may require, currently or in the future, all Royalty Fees, Brand Fund contributions, ad-coverage area contributions, training fees, and any other amounts which Franchisee owes to the Company or its affiliates to be paid by or through an electronic depository transfer account as further described in the Operations Manual. Payments for all amounts shall be in accordance with the procedures set forth in the Operations Manual. The Company shall have sole discretion to apply any payments made by Franchisee to any of Franchisee's amounts due to the Company or its affiliates, including, without limitation, any amounts Franchisee may owe as Brand Fund contributions or other advertising fees. Franchisee agrees that Franchisee will not, for any reason whatsoever, including without limitation on grounds of the alleged nonperformance by the Company or its affiliates of any obligations hereunder, set off against or withhold payment of any Royalty Fee, Brand Fund contribution, or any other amounts due to the Company or its affiliates.

1. To secure Franchisee's performance under this Agreement, Franchisee hereby grants to Company a security interest in and to all of Franchisee's tangible and intangible property used to operate the Franchised Business including without limitation all Franchisee's equipment, accounts, deposit accounts, inventory, investment property, general intangibles, and money. Company shall record appropriate financing statements to protect and perfect its rights as a secured party. Except with Company's prior written consent, which it shall not unreasonably withhold, Franchisee will not grant any person or business entity a security interest in Franchisee's tangible or intangible assets of the Franchised Business. Company agrees to subordinate its security interest if requested by a lender providing financing to Franchisee provided that such lender: (i) agrees to provide Company with written notice in the case of Franchisee's default at the same time that the lender serves Franchisee with such notice of default; (ii) provides Company the right, but not the obligation, to cure the default under the loan or financing agreement; (iii) notifies Company if the lender assigns its interest in the loan or financing to a third party, who the lender must require to take subject to these restrictions; (iv) provides Company with a copy of the loan or financing documents which may not be materially modified at any time without Company's prior written consent so that Company may confirm that any changes do not materially impair its rights provided

this section; and (v) does not take a primary security interest in Company's Marks or intellectual property or any equipment or materials bearing the Company's Marks or intellectual property. It will be Franchisee's obligation to ensure that any loan or financing arrangements contain the above conditions and no such failure will constitute a waiver of Company's rights in this section.

P. Ongoing Training. Shall participate, if Company requires, in up to four days per calendar year of refresher training in the operations and marketing of the Franchised Business at Franchisee's expense. The refresher training would be at a location which the Company selects, including without limitation telephonically, via virtual meeting, or other means. The refresher training may or may not take place at an annual convention of franchisees. The Company or a third-party the Company designates may provide the ongoing training. In the event that Franchisee requests or the Company determines in its sole discretion that Franchisee would benefit from the Company training a new Trainee(s) who replaces the prior Trainee(s), Franchisee shall make such new Trainee(s) available for training and shall remit to the Company its then-current fee for new Trainee(s) training along with payment by Franchisee for either (i) its new Trainee(s)' travel, lodging, meals, and related expenses incurred for any Trainee(s) and/or others to attend the training, or (ii) Company's representative's travel, lodging, meals, and related expenses incurred during the training if the Company sends a representative to train the Trainee(s) and/or others at Franchisee's premises. Company may terminate this Agreement if Franchisee and/or any Trainee(s) and/or others required to attend have two or more unexcused absences in any twelve-month period from mandatory ongoing training required by the Company, and does not subsequently attend all Company required meetings and trainings during the following twelve-months.

Q. Convention. Shall attend, if Company requires, a national business meeting or convention of franchisees for up to three days once per calendar year at Franchisee's expense; Company may require Franchisee, Operating Principal, and/or Clinical Director to so attend. Franchisee shall pay to Company the then-current fees and costs for attending the convention or national business meeting. The convention would be at a location which the Company selects.

R. Advisory Council. Franchisee shall participate actively in a Regional Advisory Franchisee Council ("Council") and participate in all Council programs, for Franchisee's particular Council, approved by Company. Such Council may be formed by Company, in its sole discretion, at any time that more than one franchisee conducts a Franchised Business in any given region, the boundaries of which will be determined by Company in its sole discretion. The Council shall be governed by bylaws or other governing documents prepared by the Company. The purposes of the Council(s) include, but are not limited to, exchanging ideas and problem-solving methods, advising Company on expenditures for system-wide marketing, public relations and advertising, and coordinating franchisee efforts. Franchisee shall pay all assessments levied by the Council, and Company has the right to enforce this obligation. Amounts and expenditures may vary from time to time due to variations in Council participation and costs as determined by a particular Council and as approved by Company.

S. Software Program. If Company or any affiliate develops and custom designs or designates or requires a software program and/or hardware system and/or other technology for conducting accounting, scheduling, billing, collections, payment, or point-of-sale functions, customer relations management (CRM), payment, business management, payroll software, and/or other activities related to the Franchised Business (collectively hereinafter "Software Program"), Franchisee agrees to implement the Software Program into the Franchised Business, and to comply with all specifications and standards prescribed by Company regarding the Software Program as provided from time to time in the Company manuals including remitting payment of all amounts (initial and ongoing) for such Software Program at the then-current rates for such Software Program whether to Company, an affiliate, or a third-party as Company may so direct. At such time as Company requires the implementation of such Software Program, Franchisee shall only utilize the Software Program as prescribed by Company. At such time as Company requires the implementation of such Software Program, Franchisee shall be required to purchase, lease or license the designated Software Program, to purchase or lease specified computer hardware compatible with Company's Software Program requirements and contract for on-going service, maintenance and support for such hardware and Software Program at terms designated by Company or its suppliers. Company

and/or its affiliates may condition any purchase, lease, or license of any required or recommended Software Program to Franchisee, and/or Franchisee's use of technology developed, administered or maintained by or for Company, on Franchisee signing or consenting to a license agreement or similar document that Company and its affiliates periodically specify to regulate Franchisee's use of, and Company's (or affiliate's) and Franchisee's respective rights and responsibilities with respect to, the software or technology. Company itself may, or Company may require any designated Software Program provider to, terminate Franchisee's access to and use of any Software Program if Franchisee is delinquent on any payments due to Company or its affiliates, suppliers, or vendors or otherwise in default of this Agreement. Franchisee shall execute any required license and/or services agreement for such Software Program and acknowledges and agrees that future modifications to such license or services agreement (including without limitation changes or increases to fees and/or changes to any aspects of the software) may be made effective upon ten (10) days prior notice to Franchisee.

1. COMPANY HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, AS TO ANY ASPECT OF THE SOFTWARE PROGRAM, ANY OTHER SOFTWARE, TECHNOLOGY, AND ANY COMPUTER EQUIPMENT MADE AVAILABLE TO FRANCHISEE BY COMPANY OR SUGGESTED OR REQUIRED TO BE USED BY FRANCHISEE PURSUANT TO THIS AGREEMENT, THEIR OPERATION OR THE SERVICES TO BE PERFORMED BY COMPANY HEREUNDER, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN, CONDITION, CAPACITY, PERFORMANCE, TITLE, AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT THE SOFTWARE PROGRAM, ANY OTHER SOFTWARE, TECHNOLOGY, AND ANY COMPUTER EQUIPMENT MADE AVAILABLE BY COMPANY TO FRANCHISEE PURSUANT TO THIS AGREEMENT ARE MADE AVAILABLE ON AN AS-IS BASIS. IN NO EVENT SHALL COMPANY BE LIABLE (WHETHER IN CONTRACT, WARRANTY, TORT OR OTHERWISE) TO FRANCHISEE, THIRD PARTIES OR ANY OTHER PERSON CLAIMING THROUGH OR UNDER FRANCHISEE, FOR ANY DAMAGES OR EXPENSES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF REVENUES, LOSS OF SAVINGS, LOSS OF USE, LOSS OR CORRUPTION OF DATA OR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, ARISING OUT OF OR IN CONNECTION WITH ANY USE, OR INABILITY TO USE, THE SOFTWARE PROGRAM, ANY OTHER SOFTWARE AND ANY COMPUTER EQUIPMENT MADE AVAILABLE BY COMPANY TO FRANCHISEE PURSUANT TO THIS AGREEMENT, WHETHER CAUSED BY DEFECT, NEGLIGENCE, BREACH OF WARRANTY, DELAY IN DELIVERY OR OTHERWISE, EVEN IF COMPANY HAD BEEN ADVISED OF THE POSSIBLITY OF SUCH DAMAGES OR EXPENSES. FURTHER, NO OBLIGATION OR LIABILITY SHALL ARISE OR FLOW OUT OF COMPANY'S OR COMPANY'S DESIGNATED SUPPLIER'S RENDERING OF TECHNICAL OR OTHER ADVICE OR SERVICE IN CONNECTION WITH THE SOFTWARE PROGRAM, ANY OTHER SOFTWARE AND ANY COMPUTER EQUIPMENT MADE AVAILABLE BY COMPANY TO FRANCHISEE PURSUANT TO THIS AGREEMENT. FRANCHISEE EXCLUSIVELY BEARS FULL AND COMPLETE LIABILITY AND RESPONSIBILITY FOR ITS USE AND RELIANCE ON THE SOFTWARE PROGRAM, ANY OTHER SOFTWARE AND ANY COMPUTER EQUIPMENT MADE AVAILABLE BY COMPANY TO FRANCHSIEE PURSUANT TO THIS AGREEMENT, EVEN IF SUCH USE WERE TO PRODUCE INCORRECT INFORMATION OR ERRONEOUS RESULTS. IN NO EVENT SHALL COMPANY'S TOTAL LIABILITY FOR FRANCHISEE'S USE OF THE SOFTWARE PROGRAM, ANY OTHER SOFTWARE AND ANY COMPUTER EQUIPMENT MADE AVAILABLE BY COMPANY TO FRANCHISEE PURSUANT TO THIS AGREEMENT EXCEED TWO THOUSAND DOLLARS.

T. <u>Approved Products, Distributors and Suppliers</u>. The reputation and goodwill of Franchised Businesses is based upon, and can be maintained only by, the sale of distinctive, high-quality services in an efficient and appealing manner. Company has or will or may develop various products, services, standards, specifications, methods, systems, equipment, inventory, materials, signage and displays, supplies, and/or tools which will be offered according to Company's, specification, instruction, and requirement. Company has or may develop standards and specifications for other products, services, methods, systems, equipment, inventory, materials, signage and displays, supplies, and delivery

mechanisms authorized for sale at the Franchised Businesses that Franchisee agrees to timely adopt and implement according to Company's, specification, instruction, and requirement. Company has or may periodically approve suppliers and distributors of the foregoing products and/or services, as well as future products and/or services that meet its standards and requirements, including, without limitation, standards and requirements relating to quality, prices, consistency, reliability, financial capability, labor relations and customer relations. Franchisee agrees that the Franchised Business will: (1) purchase Company's required goods and services either from Company or from a third party licensed by Company, if so directed; and (2) purchase from distributors and other suppliers approved by Company all other goods and services that meet Company's standards and specifications for the same, if so directed. Company may from time to time modify the list of approved brands and/or suppliers, and Franchisee shall not, after receipt in writing of such modification, reorder any brand from any supplier which is no longer approved. Company may approve a single distributor or other supplier for any product and may approve a distributor or other supplier only as to certain products. Company may concentrate purchases with one or more distributors or suppliers to obtain lower prices and/or the best advertising support and/or services for any group of locations franchised or operated by Company. Approval of a distributor or other supplier may be conditioned on requirements relating to the frequency of delivery, standards of service, including prompt attention to complaints, or other criteria, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such distributor or other supplier by Company. Franchisee shall notify Company and submit to Company along with the Company's then-current fee for each person which the Company provides for this determination plus reasonable expenses, not to exceed $5,000, such information, specifications, and samples as Company requests if the Franchised Business proposes to purchase any products or services from a distributor or other supplier who has not been previously approved by Company. Company shall notify Franchisee within six months of Company's receiving all requested information whether the Franchised Business is authorized to purchase such products from such distributor or other supplier. Company may impose reasonable inspection and supervision fees on approved suppliers.

U. Technology Services. Franchisee shall pay to Company its then-current Technology Fee, such amount to be determined by the Company. The Technology Fee shall be paid beginning upon the signing of this Agreement and then together with the Royalty Fee due hereunder or as otherwise specified in the Operations Manual from time to time. The Technology Fee is currently used to provide Franchisee with technology related services including without limitation website maintenance. Company may increase the amount of the Technology Fee as necessary to compensate for the ongoing technology related services and benefits provided to Franchisee. In addition to the services provided by the Technology Fee, Franchisee agrees to pay the providers of other required or recommended technology services and products on time and according to the terms provided by such suppliers.

V. Credentialing. If Franchisee has not received its National Provider Identifier (NPI) number for the Franchised Business within 12 months after the date of this Agreement, this Agreement shall automatically terminate.

W. Accreditation. Apply for accreditation as designated by Company: (a) initially prior to opening for business, and (b) annually thereafter or on the interval designated by each accrediting organization and approved by the Company, to maintain such accreditation.

X. Safety Training. Franchisee agrees that Franchisee and all employees and independent contractors of the Franchised Business shall successfully complete a mandatory safety training via the vendor the Company designates or approves (a) within 3 months of any employee's or independent contactor's date of hire, and (b) annually thereafter.

Y. Customer Information. Franchisee may only use Customer Information (as defined below) to the extent necessary to perform Franchisee's obligations under this Agreement during the term hereof and subject to such restrictions as Company may from time to time impose and in compliance with all data privacy, security and other applicable laws. "Customer Information" means any contact information (including name, address, phone and fax numbers, and e-mail addresses), sales and

payment history, and all other information about any customer, including any information deemed "personal information" under applicable law. As used in this Agreement, the term "customer" refers to any person or entity (i) included on any marketing or customer lists Franchisee develops or uses; (ii) who has purchased or purchases services or products at or from the Franchised Business; or (iii) whom Franchisee has solicited to purchase any services or products at or from the Franchised Business. All information Company obtains from Franchisee or about or related to the Franchised Business (collectively, the "Information"), and all revenues Company derives from such Information, shall be Company's property, excluding any employment records and patient records containing personal health information (which shall belong solely to and be the responsibility of Franchisee). 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. Franchisee 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.

Without limiting the foregoing, Franchisee agrees to comply with applicable law in connection with Franchisee's collection, storage and Franchisee's use and Company's use of such Customer Information, including, if required under applicable law, obtaining consents from customers to Company's and its affiliates' use of the Customer Information. Franchisee must comply with all laws and regulations relating to data protection, privacy and security, including data breach response requirements ("Privacy Laws"), as well as data privacy and security policies, procedures and other requirements Company may periodically establish. Franchisee must notify Company immediately of any suspected data breach at or in connection with the Franchised Business or the business operated at the Franchisee's premises. Franchisee must fully cooperate with Company and its counsel in determining the most effective way to meet Company's standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee is responsible for any financial losses it incurs or remedial actions that it must take as a result of breach of security or unauthorized access to Customer Information in Franchisee's control or possession.

If the California Consumer Privacy Act ("CCPA"), Cal. Civ. Code § 1798.100, et seq., or any federal or state privacy law applies to the Franchised Business or the business operated at Franchisee's premises, whenever and to the extent Franchisee operates as a "Service Provider" under the CCPA or in a similar capacity under any federal or state privacy law, Franchisee represents, warrants, and covenants that: (1) Franchisee will not sell, make available or otherwise disclose any Customer Information to any third party for valuable consideration; (2) Franchisee will retain, use, or disclose Customer Information only for the specific purpose of performing the services specified in this Agreement, and not any commercial or noncommercial purpose other than providing the services specified in this Agreement; (3) Franchisee will not retain, use, or disclose Customer Information outside of the direct business relationship between Franchisee and Company; (4) Franchisee will delete any Customer Information upon Company's request unless Franchisee can prove that such request is subject to an exception under applicable law; and (5) If Franchisee receives a Customer Information data request directly from a California resident under the CCPA (e.g. a request to delete Customer Information), Franchisee shall inform Company of that request within one business day and cooperate with Company to ensure that the consumer receives an appropriate and timely acknowledgement and response. Typically, an acknowledgement is required within 10 calendar days and a final response is required within 45 calendar days. Franchisee certifies that it understands the restrictions in subparts (1) – (5) of this section and will comply with them. Franchisee also acknowledges and agrees that Company may modify the restrictions by written notice to Franchisee, including adding other similar privacy restrictions that may be required under other state or federal privacy laws.

Z. <u>Call Center.</u> "Call Center" means the centralized system, including without limitation, the locations(s) and communications(s) system), set up by Company and/or an affiliate, for the purpose of scheduling appointments for patients. Company or an affiliate at its sole discretion may choose to operate or engage a third-party to operate a Call Center for the purpose of scheduling patients for Company's affiliates and Grace Integrated franchisees. As a franchisee using the System, subject to the provisions set forth herein, Franchisee will be entitled to participate in the Call Center. For each appointment scheduled through the Call Center for the Franchised Business, Franchisee will be required to

pay Company the amount Company so determines from time to time. Company and/or any affiliate has the right to set guidelines in Company's and/or Company's affiliate's discretion. Provided Franchisee is not in default of any provisions of this Agreement or any agreement entered into pursuant hereto or the Operations Manual, Company and/or Company's affiliates will use commercially reasonable efforts to schedule through the Call Center patient appointments for Franchisee and other Grace Integrated locations; however, Company and any affiliate do not make or give Franchisee any promise, representation or guarantee that there will not be an error in scheduling patient appointments. Company and/or any affiliate shall not be liable or otherwise responsible in the event of an error. Franchisee agrees that Company and any affiliate may discontinue the use of and close the Call Center on a temporary or permanent basis at any time Company and/or any affiliate so determine.

All patients for which appointments are scheduled by Company and/or any affiliate shall be served by Franchisee in accordance with the guidelines Company and/or any affiliate may establish. If it is determined by Company and/or any affiliate that patients are not being served by Franchisee in accordance with the guidelines, Franchisee shall take immediate steps to comply with such guidelines, failing which Company and such affiliate shall have the right, without limiting any other of Company's and/or such affiliate's rights and remedies, to exclude Franchisee from participation in the Call Center or in serving patients until such time as Franchisee demonstrates Franchisee has taken the remedial steps required by Company and/or such affiliate. As well, Franchisee must ensure that all individuals employed by Franchisee and who are involved in any manner in the serving of patients being scheduled through the Call Center are fully qualified in accordance with Company's required standards; in this regard, Franchisee and any of Franchisee's employees who are involved in serving patients must complete Company's required training. If there is no individual at the location of the Franchised Business who has successfully completed such training, Company shall have the absolute right not to schedule appointments for patients through the Call Center. In addition, if Company determines in its discretion that any of these individuals do not meet Company's standards, Franchisee shall cease allowing such individual to be involved in this process until such time as the individual qualifies in accordance with Company's required standards. If Company and/or such affiliate receives a complaint from a patient as to how Franchisee served the patient, Company and/or such affiliate shall make a determination as to whether the patient's complaint was caused because of a mistake of the Call Center or on account of how Franchisee served the patient. In making such an assessment, Company and such affiliate will act on a reasonable basis but any finding Company and/or such affiliate may make is final in determining how the complaint is dealt with. With respect to the patient, Company, any affiliate and Franchisee will act on the basis of the policy that the "customer is always right".

Company shall have the right at any time during the term of the franchise agreement to institute, and Franchisee shall be required to pay Company, a reasonable processing charge for each patient appointment scheduled and/or a reasonable monthly charge for the right to access the Call Center, at such time as Company shall determine.

Notwithstanding anything otherwise contained herein, and as stated, without limiting any other rights and remedies to which Company may be entitled, if Franchisee is in default under any of Franchisee's obligations under this Agreement or any agreements entered into pursuant hereto, Company and affiliate shall have the right to cease scheduling patient appointments for Franchisee through the Call Center. If at the time Franchisee is in default of any of Franchisee's obligations under this Agreement or any agreements entered into pursuant hereto or the Operations Manual, notwithstanding Franchisee's right to access the Call Center has been suspended, if at such time a fee for Call Center processing has been established, Franchisee shall continue to be responsible to pay any then required fee.

6. <u>Term</u>. Commencing upon the date of this Agreement, the term of this Agreement is ten (10) years, unless terminated prior thereto pursuant to the provisions hereof. Franchisee may, at Franchisee's option, renew this franchise term for two (2) additional five (5) year terms subject to the following conditions which must be met prior to each renewal: (i) Franchisee shall have delivered to the Company written notice of Franchisee's desire to exercise Franchisee's option to renew at least six (6) months, but no more than twelve (12) months prior to the expiration of the term of this Agreement; (ii) Franchisee shall have during the entire term of this Agreement substantially complied with all of its

provisions and the provisions of any other agreement between Franchisee and the Company and/or its affiliates; (iii) the Company and Franchisee (and Franchisee's shareholders or partners or members, if Franchisee is a corporation or partnership or limited liability company) shall execute the form of franchise agreement and such ancillary agreements as are then customarily used by Company in the grant of franchises (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise); (iv) Franchisee shall refurbish and remodel the premises of the Franchise Business and replace the vehicles and equipment of the Franchised Business to be in compliance with the then-current standards and specifications utilized in the granting of franchises; and (v) Franchisee (and Franchisee's shareholders or partners or members, if Franchisee is a corporation or partnership or limited liability company) shall execute general releases, in form satisfactory to Company, of any and all claims against the Company and its affiliates, and their officers, directors, managers, shareholders, members, employees and agents. The franchise agreement and ancillary agreements at the time of renewal may contain materially different terms from those contained in this Agreement. Franchisee shall pay to Company a renewal fee equal to twenty-five percent (25%) of the then-current initial franchise fee for a non-discounted first franchise. Failure by Franchisee (and Franchisee's shareholders or partners or members, if Franchisee is a corporation or partnership or limited liability company) to sign such agreement(s) and releases within thirty (30) days after delivery thereof to Franchisee shall be deemed an election by Franchisee not to renew. If Franchisee, for any reason, abandons, surrenders, or suffers revocation or non-renewal of all or part of Franchisee's rights and privileges under this Agreement, then all such rights and privileges shall revert to the Company.

If Franchisee does not sign a new franchise agreement prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at Company's option, this Agreement may be treated either as (i) expired as of the date of expiration with Franchisee's then operating without a franchise to do so and in violation of Company's rights; or (ii) continued on a month-to-month basis ("Interim Period") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate thirty days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement 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.

7. Termination.

A. Termination by Franchisee. If Franchisee is in substantial compliance with this Agreement and the Company materially breaches this Agreement and fails to cure such breach within a reasonable time, which in no event shall be less than ninety (90) days, after written notice thereof is delivered to the Company, Franchisee may terminate this Agreement. Such termination shall be effective ten (10) days after delivery to the Company of notice that such breach has not been cured and Franchisee elects to terminate this Agreement. Except as described in this Section, Franchisee has no right to terminate this Agreement.

B. Termination by Company. In addition to the other provisions of this Agreement allowing termination, the Company may terminate this Agreement effective upon delivery of notice of termination to Franchisee in the following circumstances:

1. Franchisee becomes insolvent; makes an assignment for the benefit of creditors; files a voluntary petition in bankruptcy; files any pleading seeking any reorganization, liquidation or dissolution under any law; admits or fails to contest the material allegations of any such pleading filed against Franchisee; is adjudicated a bankrupt; a receiver is appointed for a substantial part of Franchisee's assets; or the claims of creditors of Franchisee or the Franchised Business are abated or subject to a moratorium under any law;

2. If Trainee(s) fails to pass the training program for franchisees, or if Franchisee fails to provide Company with a copy of the fully executed lease for the Franchised Business

within 2 months after the date of this Agreement, or if Franchisee fails to commence operating the Franchised Business within 6 months after the date of this Agreement, or if Franchisee abandons, surrenders or transfers control of the operation of the Franchised Business without the Company's prior written consent;

3. If Franchisee loses possession of the Franchised Business premises, or fails to make rental payments when due, or suffers termination of the lease;

4. If Franchisee submits to the Company on two or more separate occasions at any time during any two-year period during the term of this Agreement a report, financial statement, tax return, schedule or other information or supporting record which understates the number of Licensed Providers affiliated with the Franchised Business in any month or understates the Gross Sales of the Franchised Business for any period by more than two percent;

5. If Franchisee or any Licensed Provider is convicted of or pleads guilty to or no contest to a felony or other crime which substantially impairs the goodwill associated with the Marks or the System or engages in any misconduct which affects the reputation of the Franchised Business or the goodwill associated with the Marks or the System, as determined by the Company;

6. If Franchisee loses any permit or license which is a prerequisite to the operation of the Franchised Business, or if Franchisee operates the Franchised Business in a manner that presents a health or safety hazard to customers, employees, or the public;

7. If Franchisee makes a transfer or assignment of this Agreement, the assets of the Franchised Business, or Franchisee's ownership interest, which is not authorized as provided in the transferability section of this Agreement;

8. If Franchisee has received three or more notices of default during any twelve-month period, whether or not such defaults were cured;

9. If Franchisee delivers to Company three or more non-sufficient funds payments by check or electronic transfer within any twelve-month period, whether or not such checks or electronic transfers were subsequently paid;

10. If Franchisee fails to pay any amount owed to the Company or its affiliates or to Franchisee's suppliers, providers, lessors, landlords, or vendors, when the same is due and payable and does not correct such failure within ten days after written notice of such failure to comply is delivered to the Franchisee;

11. If Franchisee fails to submit reports or financial data which Company requires under this Agreement, when the same are due and does not correct such failure within thirty days after written notice of such failure to comply is delivered to Franchisee;

12. If any Licensed Provider is 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 Company's satisfaction;

13. If Franchisee fails to comply with any federal, state, or local law or regulation applicable to the operation of the Franchised Business, including without limitation those laws or regulations governing minors, health, practice of medicine, licensing, permitting, safety, sanitation, HIPAA, and/or anti-kickback; or

14. Default by Franchisee, the Management Business, and/or the Practice Entity under any Management Agreement between any of them;

15. Termination of any Management Agreement without Company's prior written consent; or

16. If Franchisee fails to perform any of the terms and conditions in this Agreement not otherwise covered in Section 7.B. Paragraphs 1 through 13 above, or in the Operations Manual, or in other operational memoranda issued by the Company, or use bad faith in carrying out terms of these franchise provisions and does not correct such failure within thirty days after written notice of such failure to comply is delivered to Franchisee.

Upon the occurrence of any of the above events of default which would allow the Company to terminate this Agreement (which termination Company may or may not choose to do), Company may authorize its suppliers to (and may itself) withhold shipment or other provision to the Franchisee of the Company's proprietary equipment, Software Program(s), products and services and approved equipment, products and services until such time as Franchisee has cured the event of default.

C. Cross Default. Any default by Franchisee of any other agreement between the Company and Franchisee shall be deemed a default under this Agreement, and any default by Franchisee of this Agreement shall be deemed a default under any and all other agreements between Company and Franchisee. If the nature of such default under any other agreement would have permitted the Company to terminate this Agreement had said default occurred hereunder, the Company shall have the right to terminate this Agreement as if such default has occurred hereunder. For purposes of this Section, an agreement between the Company or an affiliate of the Company and Franchisee or Franchisee's Practice Entity, Management Business, partner, shareholder, member, manager, executive officer or affiliate shall be deemed an agreement between the Company and Franchisee. Any default by Franchisee, the Management Business, and/or the Practice Entity under any Management Agreement between any of them shall be deemed a default under this Agreement. Termination of any Management Agreement without Company's prior written consent is a default of this Agreement.

D. Appointment of Manager. Notwithstanding the provisions of Sections 7.B. and 7.C. above, in the event that Franchisee does not comply with any provision of this Agreement, the Company may, at its sole option, assign a manager to the Franchised Business on a daily basis, whose function will be to ensure compliance by Franchisee, Franchisee's employees and agents with the provisions of this Agreement, including without limitation, adherence to the standards, methods, procedures and specifications of the System and the rights and duties upon termination or expiration of this Agreement. Franchisee shall pay the Company for the services and expenses of such manager at such reasonable rate as may be established by the Company (which currently is the greater of five hundred dollars per day or ten percent of the Franchised Business' Gross Sales, for the duration of the management), plus reimbursement of other reasonable expenses, including without limitation all travel, lodging, meals, and other expenses. Franchisee agrees to defend, indemnify and hold harmless the Company and its agents and employees who may act hereunder.

E. Rights and Duties Upon Termination or Expiration. Upon termination or expiration of this Agreement, all of Franchisee's rights hereunder shall terminate. Franchisee shall forthwith discontinue use of the Marks, the System, and all trade names, trademarks, service marks, trade dress, signs, colors, structures, interior and exterior decor, business methods, products and/or services available from suppliers designated or approved by the Company, confidential information, printed goods and forms of advertising indicative of the Franchised Business and return the Operations Manual and the Software Program to the Company. Franchisee shall pay all amounts including without limitation all actual, liquidated and consequential damages due the Company or its affiliates, cancel Franchisee's assumed name registration, return to the Company any signs utilizing the Marks, and not represent that Franchisee formerly did business under the Marks. Franchisee shall provide the Company with the names, addresses, telephone numbers, email addresses, copies of the agreements and any other data of Franchisee's customers during the preceding three years. Franchisee shall promptly notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and

any regular, classified or other telephone directory listings associated with the Marks and to authorize transfer of same to or at the direction of the Company. Franchisee acknowledges that as between the Company and Franchisee, the Company has the sole rights to and interest in all e-mail and internet addresses, websites, domain names, social media sites and search engine identifiers, and all telephone and facsimile numbers and directory listings associated with the Marks, and Franchisee authorizes the Company, and hereby appoints the Company and any officer of the Company as Franchisee's attorney-in-fact, to direct the telephone company, internet service providers, domain name registrars, social media hosts and all listing agencies to transfer same to the Company or at its direction, should Franchisee fail or refuse to do so, and the telephone company, internet service providers, domain name registrars, social media hosts and all listing agencies may accept such direction or this Agreement as conclusive of the exclusive rights of the Company in such e-mail and internet addresses, websites, domain names, social media sites and search engine identifiers, and all telephone and facsimile numbers and directory listings and its authority to direct their transfer. Upon termination or expiration of this Agreement, the Franchisee shall, at the Company's option, and without paying compensation to the Franchisee, assign to the Company, or to the Company's designee, (i) the Franchisee's customer contracts (if any) and/or (ii) the Franchisee's interest in any lease then in effect for the Franchise's business premises. The Company shall notify the Franchisee of its intent to exercise this option and the identity of the designee within thirty days after termination or expiration of this Agreement. Franchisee shall furnish to the Company within thirty days after the effective date of the termination or expiration evidence satisfactory to the Company of Franchisee's compliance with the foregoing obligations.

F. Option to Purchase Assets. Upon the termination or expiration of this Agreement, the Company shall have a ninety-day option to purchase from Franchisee some or all of the equipment, supplies, inventory, advertising materials and any items with Company's Marks for cash at fully depreciated book value (also expressly agreed to exclude any value for goodwill). The Company has an unrestricted right to assign this option to a third party.

G. Covenant Not to Compete. In the event of termination or expiration of this Agreement, Franchisee shall not, for a period of three (3) years after the later of (i) the date of the termination or expiration or (ii) the date on which Franchisee ceases to conduct the business conducted pursuant to this Agreement, be directly or indirectly associated as an employee, proprietor, stockholder, partner, member, agent, officer, director, consultant, representative, manager, spouse, parent, sibling or in any other capacity with, or operate, engage, own, invest in, or participate in, (1) business offering outpatient behavioral health services within five (5) miles of Franchisee's former business location or (2) any business offering outpatient behavioral health services within five (5) miles of any other Grace Integrated business or (3) any entity which franchises or otherwise grants to others the right to operate any business offering outpatient behavioral health services. In addition, in the event of the termination or expiration of the Agreement, Franchisee shall not for the three-year period as defined above (i) solicit or accept business from any former customers of the Franchised Business or (ii) solicit or employ or contract with any person who is a current or former employee or independent contractor of Franchisee, Company or any other Grace Integrated business at any time during the twelve months immediately prior thereto. The three-year period referred to above shall be tolled during any period of Franchisee's noncompliance with the terms of this Agreement. In the event the duration, scope and/or geographic area set forth in this paragraph and Agreement are held to be unreasonable and therefore unenforceable by any court of competent jurisdiction, then the duration, scope and/or geographic area of the foregoing restrictions and agreements shall remain in full force and effect as to such maximum duration, scope and/or geographic area as the court shall allow.

H. Confidential Information. Franchisee acknowledges that if Franchisee discloses any aspect of the System or the Operations Manual or the System Standards or any other aspect of the franchise system that it could substantially harm the Company, Franchisee and other franchisees, and that such information is proprietary and confidential and a Trade Secret of Company. Franchisee agrees to secure, keep secret, and lock away the Operations Manual and any other System confidential materials. Franchisee agrees that Franchisee will maintain the absolute confidentiality of all, and not disclose any, such information during and after the term of this Agreement and that Franchisee will not use

any such information in any other business or in any manner not specifically authorized or approved in writing by the Company. Franchisee agrees to require all of Franchisee's personnel to sign a confidentiality and non-competition agreement in the form prescribed by the Company.

"Trade Secret" as used herein shall also include the definition of "trade secret" adopted in Illinois law and in the Defend Trade Secrets Act of 2016 ("DTSA") as may be amended from time to time. Pursuant to the DTSA's required notification of immunity for qualified whistleblowers, the following notice is provided:

This notice is pursuant to 18 U.S.C. §1833 et al. and is intended to inform you as the Franchisee of the protections afforded to you by the Defend Trade Secrets Act of 2016 (DTSA), S. 1890, 114th Cong. § 2 (2016). While it is a violation of this Agreement and Federal law to disclose trade secrets or any confidential information in violation of a nondisclosure agreement, confidentiality agreement, and/or any other agreement between Franchisee and the Company, the DTSA was intended to provide protections for whistleblowers in the event they need to disclose information defined as a Trade Secret under 18 U.S.C. §1839.

The DTSA provides that an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. 18 U.S.C. §1833(b)(1). Furthermore, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order. 18 U.S.C. §1833(b)(2). Any such reporting of a suspected violation of law must be done in accordance with the Company's policies, as may be adopted, modified, or rescinded from time to time.

I. Non-Disparagement. Franchisee hereby agrees not to take any action or make any statement the effect of which would be to directly or indirectly materially impair Company's goodwill or Company's rights to its intellectual property or the goodwill of its affiliates, or be materially detrimental to Company, its affiliates or its franchisees, including, but not limited to any action or statement intended, directly or indirectly, to benefit any of Company's competitors. This provision survives forever. Notwithstanding the above provision, Company and Franchisee agree that Company shall not restrict Franchisee's communications with the Federal Trade Commission or any other state or federal law enforcement about potential law violations.

J. Continuing Obligations. All obligations of the Company and Franchisee which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement and until they are satisfied in full or by their nature expire.

8. Transferability of Interest.

A. Transfer by the Company. The Company shall have the right, in its sole discretion, to transfer or assign this Agreement and all or any part of its rights or obligations to any person or legal entity, and any designated assignee of Company shall become solely responsible for all obligations of Company under this Agreement from the date of assignment. Franchisee shall execute such documents consenting to such a transfer as Company shall request.

B. Transfer by Franchisee. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Company has granted this franchise in reliance on Franchisee's business skill, financial capacity, and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, corporation, limited liability company, or other legal

entity which directly or indirectly owns any interest in Franchisee or in the Franchised Business shall sell, assign, transfer, convey, pledge, encumber, merge, or give (collectively "transfer") away any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business without the prior written consent, as set forth below, of Company. Any purported assignment or transfer not having the written consent of Company required by this Section shall be null and void and shall constitute a material breach of this Agreement, for which Company may immediately terminate without opportunity to cure pursuant to the terms of this Agreement. The Company shall not unreasonably withhold its written approval of an assignment or transfer, provided: (1) Franchisee has properly offered the Company the opportunity to exercise the right of first refusal as provided in the right of first refusal section of this Agreement, and the Company declined to exercise it; (2) The assignee or transferee has sufficient business experience, aptitude, financial resources, meets the Company's then-applicable standards for franchisees; is of good moral character; will comply with the Company's standard training requirements; has received the required disclosure documents in accordance with law; and executes the then-current form of franchise agreement and other agreements (which may contain materially different terms than those set forth herein) being used by the Company; (3) Upon Company's request, the assignee or transferee agrees in a form approved by the Company to be personally bound jointly and severally by all the provisions of this Agreement and assume and guarantee all of Franchisee's obligations hereunder and all other agreements between Franchisee and the Company or its affiliates to the same extent as if they had been original parties to the original agreements; (4) Upon Company's request, Franchisee shall enter into an agreement with the Company, in a form satisfactory to Company, guaranteeing full payment and performance of the obligations of Franchisee's transferee; (5) All of Franchisee's money obligations owed to the Company, its affiliates, and the Brand Fund are fully paid and Franchisee is not otherwise in default under this Agreement; (6) The assets of the Franchised Business must be refurbished, remodeled or replaced in order to be in compliance with the then-current standards and specification utilized in the granting of franchises; (7) The lessor has consented to the assignment of the lease for the Franchised Business premises to the assignee or transferee if the lease requires such a consent; (8) Franchisee pays the Company a transfer fee in an amount equal to (i) three-fourths of the then-current initial franchise fee for a non-discounted first franchise if the transferee does not own any other Grace Integrated business(es) (and in such case, $5,000 of the total amount due to Company shall be paid to Company when Franchisee submits the transfer for approval and such $5,000 payment is non-refundable for any reason, and the balance is due upon Company's approval of the transfer), (ii) one half of the then-current initial franchise fee for a non-discounted first franchise if the transferee does own any other Grace Integrated business(es) (and in such case, $5,000 of the total amount due to Company shall be paid to Company when Franchisee submits the transfer for approval and such $5,000 payment is non-refundable for any reason, and the balance is due upon Company's approval of the transfer), or (iii) three thousand five hundred dollars ($3,500) (subject to increases in the Consumer Price Index, as provided in Section 11 of this Agreement and the Operations Manual) if shares or other ownership rights of a business entity are being exchanged between existing owners of the entity, or if new shareholder(s) or other owners of a business entity are to be added, and such exchange or addition does not change the majority direct or beneficial owner (the total amount due to Company shall be paid to Company when Franchisee submits the transfer for approval and such $3,500 payment is non-refundable for any reason); (9) Franchisee shall pay any and all third-party broker fees that are due in connection with the proposed transfer regardless of whether the buyer is an existing Grace Integrated franchisee or not; (10) In addition, for any supervision or assistance by Company's personnel at Franchisee's location the Company chooses to provide in its sole discretion, Franchisee shall pay Company the then-current daily fee for the Company's personnel, plus other reasonable expenses, including without limitation, all travel, lodging, meals and other expenses; (11) Franchisee (and each of Franchisee's shareholders or partners or members, if Franchisee is a corporation or a partnership or limited liability company) shall execute general releases of all claims against the Company, its affiliates, and their officers, directors, managers, shareholders, members, employees and agents; (12) If Franchisee or any principal finances any part of the consideration due by the transferee to Franchisee or any principal, then all such obligations of the transferee to Franchisee and/or its principal (including without limitation under any notes, agreements or security interests) will be subordinate to the transferee's obligations to the Company; and (13) In the event that the transfer involves a new or revised Management Agreement, Franchisee shall pay Company its then-current nonrefundable Management Agreement Review Fee upon the transfer and any further related amounts due thereafter.

(i) At Franchisee's request, Company may, but has no obligation to, refer to Franchisee potential buyers of Franchisee's Franchised Business. If Company refers to Franchisee the buyer of Franchisee's Franchised Business or the assets of the Franchised Business or an ownership interest in Franchisee or this Agreement, Franchisee shall pay Company a referral fee in the amount of $25,000 at the time of closing such sale regardless of whether the buyer is an existing Grace Integrated franchisee or not.

C. Assignment to Partnership, Corporation or Limited Liability Company. If Franchisee is in full compliance with this Agreement, the Company shall not unreasonably withhold its consent to a transfer of this Agreement and the assets of the Franchised Business to a partnership or corporation or limited liability company, provided: (1) the partnership or corporation or limited liability company name does not include the word "Grace" or the word "Integrated", or the word "Integrate", and its activities are confined exclusively to operating Franchisee's Franchised Business; (2) Franchisee owns and controls all of the general partnership interests, stock, membership interests, or the equity and voting power, and provided that, in a form approved by the Company, the partnership or corporation or limited liability company assumes all of Franchisee's obligations hereunder and the partners or shareholders or members agree to be personally bound jointly and severally by all the provisions of this Agreement and assume and guarantee all of Franchisee's obligations hereunder and all other agreements to the same extent as if they had been parties to the original agreements; (3) any subsequent transfer or issuance of partnerships interests or of shares of the corporation or membership interests in the limited liability company shall be subject to Company's consent and agreement; (4) the partnership's Partnership Agreement and each partnership interest certificate, or the corporation's Articles of Incorporation and Bylaws and each stock certificate, or the limited liability company's Articles of Organization and Operating Agreement and each membership certificate shall clearly indicate that any transfer of partnership interests, shares of stock or membership interests is restricted and may be transferred subject to Company's consent and agreement only in accordance with the terms of this Agreement; and (5) Franchisee shall pay to the Company all legal expenses and other charges incurred by the Company in connection with such transfer.

D. Right of First Refusal. If Franchisee shall at any time determine to sell Franchisee's rights under this Agreement, or the assets of the Franchised Business, or Franchisee's ownership interest, in whole or part, Franchisee shall obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to the Company. The Company or its designee shall, for a period of thirty days from the date of delivery of such offer to the Company, have the right, exercisable by written notice to Franchisee, to purchase the interest for the price and on the terms and conditions contained in the offer, provided that any brokers', agents', or finders' fees shall be deducted from the purchase price and the Company or its designee may substitute cash for any form of payment proposed in such offer. If the Company or its designee does not exercise this right of first refusal, Franchisee may, subject to the same conditions for transfers contained in this Agreement, complete the sale to such purchaser on the terms of the bona fide offer. If the sale to such purchaser is not completed within one hundred twenty days after delivery of such offer to the Company, or if there is a material change in the terms of the sale, the Company or its designee shall again have the right of first refusal herein provided.

E. Death or Disability. Upon the death or permanent disability of Franchisee (or Franchisee's managing shareholder, partner, or member, if Franchisee is a corporation, partnership or limited liability company), the executor, administrator, conservator, or other personal representative of such person shall transfer his interest to the heirs or beneficiaries of such person or to a third party approved by the Company within a period of one hundred eighty (180) days, so long as arrangements satisfactory to the Company are made for the continued active management of the Franchised Business. Such transfers, including without limitation, transfers by devise or inheritance or trust provisions, shall be subject to the same conditions for transfers contained in this Agreement. Franchisee shall be deemed to have a "permanent disability" if Franchisee's ability to operate or oversee the operation of the Franchised Business on a regular basis is for any reason curtailed for a continuous period of six months. In addition to the foregoing, in order to prevent any interruption of the Franchised Business and to protect the goodwill associated with the Marks and System, if Franchisee dies or becomes disabled so that Franchisee is not able to operate or oversee the operation of the Franchised Business on a regular basis, the Company may

at its option operate the Franchised Business on Franchisee's behalf for so long as the Company deems necessary under the circumstances. All revenues received from the operation of the Franchised Business during such period of operation by the Company shall be kept in a separate account by the Company and the expenses of the Franchised Business including, without limitation, reasonable compensation and expenses (including without limitation all travel, lodging, meals, and other expenses) of the Company and its agents and employees in operating the Franchised Business, shall be charged to such account. Franchisee agrees to defend, indemnify and hold harmless the Company and its agents and employees who may act hereunder.

9. ENFORCEMENT.

A. INJUNCTIONS. THE COMPANY SHALL HAVE THE RIGHT TO ENFORCE BY JUDICIAL PROCESS ANY RIGHTS IT MAY HAVE AND PURSUANT TO THE COVENANT NOT TO COMPETE PROVISIONS OF THIS AGREEMENT. FURTHER, THE COMPANY SHALL BE ENTITLED WITHOUT BOND TO THE ENTRY OF TEMPORARY, PRELIMINARY, AND PERMANENT INJUNCTIONS AND ORDERS OF SPECIFIC PERFORMANCE ENFORCING THE PROVISIONS OF THIS AGREEMENT OR ANY OTHER RELATED AGREEMENT RELATING TO FRANCHISEE'S USE OF THE MARKS, FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT AND ASSIGNMENTS OR ATTEMPTED ASSIGNMENTS OF THE FRANCHISE AND FRANCHISEE'S OWNERSHIP INTEREST. IF THE COMPANY SECURES ANY SUCH INJUNCTION OR ORDER OF SPECIFIC PERFORMANCE, FRANCHISEE AGREES TO PAY TO THE COMPANY AN AMOUNT EQUAL TO THE AGGREGATE OF COMPANY'S COSTS OF OBTAINING SUCH RELIEF, INCLUDING WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES, COSTS, AND EXPENSES AS PROVIDED IN THIS SECTION, AND ANY DAMAGES INCURRED BY THE COMPANY AS A RESULT OF THE BREACH OF ANY SUCH PROVISION.

B. MANDATORY MEDIATION. EXCEPT AS PROVIDED IN SECTION 9.C. BELOW, PRIOR TO THE INITIATION OF LITIGATION OR ARBITRATION BY EITHER PARTY PURSUANT TO THIS AGREEMENT, THE PARTIES MUST MAKE A GOOD FAITH EFFORT TO RESOLVE ANY CONTROVERSIES BETWEEN THEM BY NON-BINDING MEDIATION EITHER THROUGH A MUTUALLY ACCEPTABLE MEDIATOR OR THROUGH AN ESTABLISHED MEDIATION SERVICE SELECTED BY COMPANY (IN EITHER CASE, "MEDIATOR"). MEDIATION SHALL TAKE PLACE IN THE CHICAGO, ILLINOIS METROPOLITAN AREA. PRIOR TO MEDIATION, EACH PARTY INVOLVED IN MEDIATION SHALL SIGN THE STANDARD CONFIDENTIALITY AGREEMENT REASONABLY REQUIRED BY MEDIATOR OR A CONFIDENTIALITY AGREEMENT REASONABLY REQUIRED BY COMPANY IF THE MEDIATOR DOES NOT HAVE A STANDARD CONFIDENTIALITY AGREEMENT. NO LITIGATION OR ARBITRATION PROCEEDING MAY BE COMMENCED UNTIL THE EARLIER OF THIRTY (30) DAYS FROM THE SELECTION OF THE MEDIATOR, OR THE MUTUAL AGREEMENT BY BOTH PARTIES THAT MEDIATION HAS BEEN UNSUCCESSFUL, OR IF THE NOTIFIED PARTY FAILS TO RESPOND TO THE REQUESTING PARTY WITHIN THIRTY (30) DAYS OF THE DELIVERY OF NOTICE REQUESTING MEDIATION. THE PARTIES WILL SHARE EQUALLY ALL FEES AND EXPENSES OF THE MEDIATOR, AND EACH PARTY SHALL BEAR ITS OWN COSTS OTHERWISE. EACH PARTY HEREBY AGREES THAT ALL STATEMENTS MADE IN THE COURSE OF MEDIATION SHALL BE STRICTLY CONFIDENTIAL, AND SHALL NOT BE DISCLOSED TO OR SHARED WITH ANY THIRD PARTIES, OTHER THAN THE MEDIATOR. EACH PARTY ALSO AGREES THAT ANY DOCUMENTS OR DATA SPECIFICALLY PREPARED FOR USE IN GOOD FAITH NEGOTIATIONS AND/OR MEDIATION SHALL NOT BE DISCLOSED TO OR SHARED WITH ANY THIRD PARTY EXCEPT THOSE PARTIES WHOSE PRESENCE IS NECESSARY TO FACILITATE THE MEDIATION PROCESS. THE PARTIES AGREE NOT TO MAKE COPIES OF ANY SUCH DOCUMENTS, AND TO RETURN THEM TO THE OTHER PARTY UPON THE CONCLUSION OF THE MEDIATION. EACH PARTY AGREES AND ACKNOWLEDGES THAT NO STATEMENTS MADE IN, OR EVIDENCE SPECIFICALLY PREPARED FOR, MEDIATION SHALL BE ADMISSIBLE FOR ANY PURPOSE IN ANY SUBSEQUENT PROCEEDINGS.

C. <u>EXCEPTIONS TO MANDATORY MEDIATION</u>. NOTWITHSTANDING SECTION 9.B ABOVE, COMPANY SHALL HAVE NO OBLIGATION TO MEDIATE BEFORE COMMENCING LITIGATION OR ARBITRATION IN THE FOLLOWING CIRCUMSTANCES:

1. IN THE EVENT COMPANY SEEKS THE ENTRY OF TEMPORARY AND PERMANENT INJUNCTIONS AND ORDERS OF SPECIFIC PERFORMANCE IN A COURT OF COMPETENT JURISDICTION TO: (1) ENFORCE THE PROVISIONS OF THIS AGREEMENT RELATING TO FRANCHISEE'S USE OF THE MARKS AND/OR FRANCHISEE'S NON-DISCLOSURE AND NON-COMPETITION OBLIGATIONS UNDER THIS AGREEMENT; (2) PROHIBIT ANY ACT OR OMISSION BY FRANCHISEE OR FRANCHISEE'S EMPLOYEES THAT CONSTITUTES A VIOLATION OF ANY APPLICABLE LAW, ORDINANCE OR REGULATION, CONSTITUTES A DANGER TO THE PUBLIC, OR MAY IMPAIR THE GOODWILL ASSOCIATED WITH THE MARKS OR CAUSE IRREPARABLE HARM TO COMPANY OR THE GRACE INTEGRATED FRANCHISES. FRANCHISEE AGREES TO WAIVE ANY CLAIMS FOR DAMAGES IN THE EVENT THERE IS A LATER DETERMINATION THAT AN INJUNCTION OR SPECIFIC PERFORMANCE ORDER WAS ISSUED IMPROPERLY;

2. IN THE EVENT COMPANY IS COMMENCING A PROCEEDING TO ENFORCE FRANCHISEE'S OBLIGATIONS TO PAY COMPANY UNDER THIS AGREEMENT AND TO SEEK COLLECTION OF SUCH FEES DUE AND OWING TO COMPANY, INCLUDING ATTORNEYS' FEES AND COSTS; OR

3. IN THE EVENT FRANCHISEE HAS ABANDONED THE GRACE INTEGRATED FRANCHISED BUSINESS OR HAS LOST FRANCHISEE'S RIGHT TO POSSESS THE PREMISES SO THAT THE GRACE INTEGRATED FRANCHISED BUSINESS IS NO LONGER OPERATING.

D. <u>ARBITRATION</u>. EXCEPT INSOFAR AS THE COMPANY AS PROVIDED IN SECTION 9.A. OR 9.B. ABOVE ELECTS TO ENFORCE THIS AGREEMENT OR ANY OTHER RELATED AGREEMENT, ALL CONTROVERSIES, DISPUTES, OR CLAIMS ARISING BETWEEN THE COMPANY, ITS AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, MANAGERS, AGENTS, SHAREHOLDERS, MEMBERS, EMPLOYEES AND ATTORNEYS (IN THEIR REPRESENTATIVE CAPACITY) AND FRANCHISEE (FRANCHISEE'S OWNERS, GUARANTORS, AFFILIATES AND EMPLOYEES, IF APPLICABLE) ARISING OUT OF OR RELATED TO: (1) THIS AGREEMENT OR ANY PROVISION THEREOF OR ANY RELATED AGREEMENT; (2) THE RELATIONSHIP OF THE PARTIES HERETO; (3) THE VALIDITY OF THIS AGREEMENT OR ANY RELATED AGREEMENT, OR ANY PROVISION THEREOF; OR (4) ANY SPECIFICATION, STANDARD, OR OPERATING PROCEDURE RELATING TO THE ESTABLISHMENT OR OPERATION OF THE FRANCHISE SHALL BE SUBMITTED FOR CONFIDENTIAL ARBITRATION TO BE ADMINISTERED BY THE CHICAGO, ILLINOIS OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION ON DEMAND OF EITHER PARTY. SUCH ARBITRATION PROCEEDINGS SHALL BE CONDUCTED IN THE CITY WHERE COMPANY'S HEADQUARTERS ARE LOCATED WHEN THE PROCEEDINGS ARE CONDUCTED AND, EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, WILL BE HEARD BY THREE (3) ARBITRATORS EACH QUALIFIED BY HAVING AT LEAST FIVE (5) YEARS EXPERIENCE IN FRANCHISING AND IN ACCORDANCE WITH THE THEN CURRENT COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. EACH PARTY SHALL SELECT ONE QUALIFIED ARBITRATOR, AND THE TWO SO DESIGNATED SHALL SELECT A THIRD QUALIFIED ARBITRATOR. IF EITHER PARTY SHALL FAIL TO DESIGNATE A QUALIFIED ARBITRATOR WITHIN SEVEN (7) DAYS AFTER ARBITRATION IS REQUESTED, OR IF THE TWO QUALIFIED ARBITRATORS SHALL FAIL TO SELECT A THIRD QUALIFIED ARBITRATOR WITHIN FOURTEEN (14) DAYS AFTER ARBITRATION IS REQUESTED, THEN A QUALIFIED ARBITRATOR SHALL BE SELECTED BY THE AMERICAN ARBITRATION ASSOCIATION UPON APPLICATION OF EITHER PARTY.

EXCEPT AS LIMITED BY THIS AGREEMENT, THE ARBITRATORS SHALL HAVE THE RIGHT TO AWARD OR INCLUDE IN THE AWARD ANY RELIEF WHICH THEY DEEM PROPER IN THE CIRCUMSTANCES, INCLUDING WITHOUT LIMITATION, MONEY DAMAGES (WITH INTEREST ON UNPAID AMOUNTS FROM DATE DUE), SPECIFIC PERFORMANCE, INJUNCTIVE RELIEF, ATTORNEYS' FEES AND COSTS IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT, PROVIDED THAT THE ARBITRATORS WILL NOT HAVE THE RIGHT TO DECLARE ANY MARK GENERIC OR OTHERWISE INVALID OR TO AWARD EXEMPLARY OR PUNITIVE DAMAGES. THE AWARD AND DECISION OF THE MAJORITY OF THE ARBITRATORS SHALL BE CONCLUSIVE AND BINDING UPON ALL PARTIES HERETO AND JUDGMENT UPON THE AWARD MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION, AND EACH PARTY HERETO WAIVES ANY RIGHT TO CONTEST THE VALIDITY OR ENFORCEABILITY OF SUCH AWARD.

THE PARTIES FURTHER AGREE TO BE BOUND BY THE PROVISIONS OF ANY APPLICABLE LIMITATION ON THE PERIOD OF TIME IN WHICH CLAIMS MUST BE BROUGHT UNDER APPLICABLE LAW OR THIS AGREEMENT, WHICHEVER EXPIRES EARLIER. THE PARTIES FURTHER AGREE THAT IN CONNECTION WITH ANY SUCH ARBITRATION PROCEEDING EACH SHALL FILE ANY COMPULSORY COUNTERCLAIM (AS DEFINED BY RULE 13 OF THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDING AS THE CLAIM TO WHICH IT RELATES WITHIN THIRTY DAYS OF THE DATE OF THE FILING OF THE CLAIM TO WHICH IT RELATES. ANY SUCH CLAIM WHICH IS NOT SUBMITTED OR FILED AS DESCRIBED ABOVE WILL BE FOREVER BARRED. THIS PROVISION SHALL CONTINUE IN FULL FORCE AND EFFECT SUBSEQUENT TO AND NOTWITHSTANDING EXPIRATION OR TERMINATION OF THIS AGREEMENT.

THE COMPANY AND FRANCHISEE AGREE THAT ARBITRATION SHALL BE CONDUCTED ON AN INDIVIDUAL, NOT CLASS-WIDE BASIS, AND THAT AN ARBITRATION PROCEEDING BETWEEN THE COMPANY AND ITS AFFILIATES AND THEIR RESPECTIVE SHAREHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES AND FRANCHISEE (AND/OR FRANCHISEE'S OWNERS, GUARANTORS, AFFILIATES AND EMPLOYEES, IF APPLICABLE) MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN THE COMPANY AND ITS AFFILIATES AND ANY OTHER PERSON, NOR SHALL THE ARBITRATOR OR COURT BE EMPOWERED TO ORDER SUCH CONSOLIDATION.

E. <u>COSTS AND ATTORNEYS' FEES</u>. IF A CLAIM FOR AMOUNTS OWED BY FRANCHISEE TO THE COMPANY OR ITS AFFILIATES IS ASSERTED IN ANY LEGAL PROCEEDING BEFORE A COURT OF COMPETENT JURISDICTION OR AN ARBITRATOR, OR IF THE COMPANY OR FRANCHISEE IS REQUIRED TO ENFORCE THIS AGREEMENT IN A JUDICIAL OR ARBITRATION PROCEEDING, THE PARTY PREVAILING IN SUCH PROCEEDING SHALL BE ENTITLED TO RECOVER FROM THE OTHER ITS COSTS AND EXPENSES, INCLUDING WITHOUT LIMITATION, ARBITRATION FEES, COURT COSTS, FEES FOR IN-HOUSE OR OUTSIDE ATTORNEYS AND PARALEGALS, MANAGEMENT PREPARATION TIME, WITNESS FEES, COLLECTION AGENCY FEES, ACCOUNTING FEES AND ARBITRATOR FEES, WHETHER INCURRED PRIOR TO, IN PREPARATION FOR OR IN CONTEMPLATION OF THE FILING OF SUCH PROCEEDING. IF THE COMPANY IS REQUIRED TO ENGAGE A COLLECTION AGENCY OR LEGAL COUNSEL IN CONNECTION WITH ANY FAILURE BY FRANCHISEE TO PAY WHEN DUE AMOUNTS DUE THE COMPANY, OR TO SUBMIT WHEN DUE ANY REPORTS, INFORMATION, OR SUPPORTING RECORDS, OR IN CONNECTION WITH ANY FAILURE TO OTHERWISE COMPLY WITH THIS AGREEMENT, FRANCHISEE SHALL REIMBURSE THE COMPANY FOR ANY OF THE ABOVE LISTED COSTS AND EXPENSES INCURRED BY IT.

F. <u>WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL</u>. THE COMPANY AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY (I) ACTUAL DAMAGES SUSTAINED BY IT AND (II) TRADEMARK LAW

TREBLE DAMAGES. THE COMPANY AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM.

G. LIMITATION OF CLAIMS. EXCEPT FOR CLAIMS ARISING FROM UNDERREPORTING OF GROSS SALES BY FRANCHISEE OR NONPAYMENT OF AMOUNTS OWED BY FRANCHISEE TO THE COMPANY OR ITS AFFILIATES PURSUANT TO THIS AGREEMENT, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF THE COMPANY AND FRANCHISEE IN CONNECTION WITH FRANCHISEE'S OPERATION OF THE BUSINESS SHALL BE BARRED UNLESS AN ACTION OR PROCEEDING IS COMMENCED WITHIN ONE YEAR FROM THE DATE OF THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIMS.

H. GOVERNING LAW/CONSENT TO JURISDICTION. EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTION 1051 ET. SEQ.) AND EXCEPT THAT ALL ISSUES RELATING TO ARBITRABILITY OR THE ENFORCEMENT OR INTERPRETATION OF THE AGREEMENT TO ARBITRATE SET FORTH ABOVE IN THIS SECTION SHALL BE GOVERNED BY THE UNITED STATES ARBITRATION ACT (9 U.S.C. SECTION 1 ET. SEQ.) AND THE FEDERAL COMMON LAW RELATING TO ARBITRATION, THIS AGREEMENT AND THE FRANCHISE SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS (WITHOUT REFERENCE TO ITS CHOICE OF LAW AND CONFLICT OF LAW RULES), EXCEPT THAT ANY LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE SHALL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH. FRANCHISEE AGREES THAT THE COMPANY MAY INSTITUTE ANY ACTION AGAINST FRANCHISEE ARISING OUT OF OR RELATING TO THIS AGREEMENT (WHICH IS NOT REQUIRED TO BE ARBITRATED HEREUNDER OR AS TO WHICH ARBITRATION IS WAIVED) IN ANY STATE OR FEDERAL COURT OF GENERAL JURISDICTION OVER WESTMONT, ILLINOIS (OR, IF COMPANY'S HEADQUARTERS IS NO LONGER IN WESTMONT, ILLINOIS, THEN IN SUCH COUNTY WHERE COMPANY'S HEADQUARTERS IS LOCATED WHEN THE PROCEEDINGS ARE CONDUCTED), AND FRANCHISEE IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND WAIVES ANY OBJECTION FRANCHISEE MAY HAVE TO EITHER THE JURISDICTION OR VENUE OF SUCH COURT.

I. WAIVER OF CONSUMER RIGHTS. FRANCHISEE HEREBY WAIVES ANY RIGHTS FRANCHISEE MAY HAVE UNDER THE TEXAS DECEPTIVE TRADE PRACTICES CONSUMER PROTECTION ACT, SECTION 17.41, ET SEQ., BUSINESS AND COMMERCE CODE, AND UNDER ANY OTHER SIMILAR LAW OF TEXAS OR ANY OTHER JURISDICTION THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS.

10. Independent Contractor. The Company and Franchisee are independent contractors. This Agreement does not create a fiduciary relationship between the Company and Franchisee.

A. Franchisee is not and shall not represent himself to be the agent, joint venturer, partner or employee of the Company, or to be related to the Company other than as its independent franchisee. The Company is not a joint employer of the Franchisee's employees. Franchisee shall conspicuously identify himself at the Franchised Business and on the vehicles of the Franchised Business and in all dealings with suppliers and customers, as the owner of the Franchised Business. No representations shall be made or acts taken by Franchisee which could establish any apparent relationship of agency, joint venture, partnership or employment, and the Company shall not be bound in any manner whatsoever by any agreements, warranties or representations made by Franchisee to any other person nor with respect to any other action of Franchisee. In the event Franchisee fails to timely pay any tax due as required by law, Company may at its option make such payment and Franchisee shall reimburse Company for the amount paid plus fifteen percent as an administrative fee.

B. The Company shall have no liability for any sales, use, excise, income, property, employment or other taxes levied upon the Franchised Business or its assets or in connection with the sales made or business conducted by the Franchised Business. All royalty fees, Brand Fund contributions and other charges referred to in this Agreement are quoted exclusive of any value added, sales or other tax chargeable thereon, and Franchisee shall pay any such tax as required by law. The Company shall not be obligated or liable for any injury or death of any person or damage to any property caused by Franchisee's action, failure to act, negligence or willful conduct, nor for any liability of Franchisee.

C. Franchisee shall defend, indemnify and save the Company and its affiliates and their shareholders, members, managers, directors, officers, employees and agents harmless from all fines, taxes, suits, proceedings, claims, demands or actions of any nature or kind whatsoever, directly or indirectly arising out of, or in any manner whatsoever associated or connected with Franchisee's operation of the Franchised Business and against any and all damages, costs, expenses and fees (including without limitation, attorneys', accountants', and experts' fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses) incurred by or on behalf of any of the foregoing in the investigation or defense of any and all such fines, taxes, suits, proceedings, claims, demands or actions. The Company shall have the option to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

11. <u>General Provisions</u>.

A. This Agreement shall be binding upon the parties and their respective executors, administrators, heirs, assigns and successors in interest. All notices, requests, demands, and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when tendered for delivery if delivered by hand, or one day after the date of deposit if deposited with a commercial delivery service which guarantees next day delivery, or two days after deposit if mailed certified mail, return receipt requested, postage prepaid, addressed to the appropriate party at their respective addresses above or at such other place as the party entitled to notice may designate by notice given in the same manner to the other. Time is of the essence of this Agreement and all provisions shall be so interpreted. If any applicable law or rule requires a greater prior notice of the termination of or election not to renew this Agreement, or the taking of some other action than is required under this Agreement, the prior notice or other requirements required by this law or rule shall be substituted for the requirements of this Agreement. The obligations and authorizations hereunder shall be joint and several. The invalidity of any provision of this Agreement shall not impair the validity of any other provision. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, that provision will be deemed severable and this Agreement may be enforced with that provision severed or as modified by the court. In the case of any questions of ambiguity relating to any provisions contained herein, there shall not be any construction against the drafter of the document. The preamble and recitals set forth above are hereby incorporated into and made a contractual part of the covenants of this Agreement. The exhibits and schedules referred to in this Agreement are attached hereto, made a part hereof, and are incorporated herein by reference.

B. The headings and captions in this Agreement are inserted for convenience only and shall not constitute a part hereof or affect the construction or interpretation of any provision of this Agreement. Whenever required by context, the masculine pronouns shall include the feminine and neuter genders and the singular shall include the plural and vice versa. No waiver of or failure to enforce any of the provisions, terms, conditions, or obligations herein by any party shall be construed as a waiver of any subsequent breach of such provision, term, condition, or obligation of this Agreement or of any other provision, term, condition, or obligation hereunder, whether the same or different nature. Subsequent acceptance by the Company of the payments due it hereunder shall not be deemed to be a waiver by the Company of a preceding breach by Franchisee. If there develops a custom or practice which is at variance with the terms of this Agreement, the Company will not be deemed to have waived its right to demand exact compliance with any of the terms of this Agreement at a later time. Franchisee acknowledges that

the Company has, and will in the future enter into license or franchise agreements with third parties pursuant to which such third parties are licensed to use the Marks and otherwise receive the benefits of the System (the "Other Agreements"). Franchisee acknowledges that the provisions of the Other Agreements have or may vary substantially from those contained in this Agreement. No action taken by Company with respect to any one or more of the Other Agreements or any party thereto shall create a course of conduct which may be relied upon or asserted by Franchisee under this Agreement as a modification to this Agreement or otherwise. Company shall not bear any liability whatsoever to Franchisee under this Agreement by reason of Company's failure to waive any of the provisions of this Agreement, or to give a consent or approval hereunder even though Company may have waived such provisions or similar provisions or given similar consents or approvals under any one or more of the Other Agreements. The rights of the Company and Franchisee hereunder are cumulative and no exercise or enforcement by the Company or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by the Company or Franchisee of any other right or remedy hereunder or which the Company or Franchisee are entitled by law to enforce. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement. The parties agree to do or cause to be done all acts or things necessary to implement and carry into effect this Agreement to its full extent.

C. If by virtue of the community property laws of any state, Franchisee's spouse is deemed to have any property interest in this Agreement, Franchisee's ownership interest, or the Franchised Business, the Company will have the right to require Franchisee's spouse to consent and join in all of the terms and conditions of this Agreement, any related agreements and any amendments thereto.

D. This Agreement contains the sole and only agreement between the parties as to the matters, privileges, rights, titles, interests, duties, obligations, and performances herein set forth; provided, however, that nothing in this Agreement or any related agreement is intended to disclaim any representation made in the Franchise Disclosure Document provided to Franchisee. All prior negotiations, verbal or written, being integrated herein and hereby, and same shall only be changed, altered, modified, amended, supplemented or novated by a writing signed by all the parties hereto. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Further, the parties agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, in addition to electronically produced signatures, "electronic signatures" shall include faxed versions of an original signature or electronically scanned and transmitted versions (e.g. via pdf) of an original signature if Company so requests.

E. The parties acknowledge and agree that Franchisee does not have the right to terminate this Agreement except as provided in Section 7.A. or as otherwise agreed by the parties. Franchisee further acknowledges and agrees that, in the event of any termination of this Agreement by Franchisee that is not in accordance with the terms of Section 7.A., or any termination of this Agreement by Company in accordance with the terms of Section 7.B. prior to its expiration date, such termination may result in lost future revenue and profits to Company, harm to the goodwill associated with the Marks, and increased costs to Company to re-develop or re-franchise the market in which the Franchised Business is located. Accordingly, in the event that Franchisee terminates this Agreement other than in accordance with the terms of Section 7.A., or if Company terminates this Agreement pursuant to the terms of Section 7.B., then Franchisee shall pay to Company by the effective date of such termination, as liquidated damages, that amount which is calculated by multiplying the average monthly amount of Royalty Fees and Brand Fund contributions due and payable during the twelve months prior to the termination (either by Franchisee or if Franchisee has not been in operation for at least fifty-two weeks as of the date of termination, then based on the average monthly amount of Royalty Fees and Brand Fund contributions of all Grace Integrated businesses during the fifty-two week period immediately preceding Franchisee's termination date) by the number of months then remaining in the term of this Agreement. The parties hereby acknowledge and agree that the actual damages that would be incurred by Company in the event of any breach or early termination of this Agreement would be difficult to calculate and that the liquidated damages provided for in this Agreement are fair and reasonable under the circumstances and are not a

penalty. The parties further acknowledge and agree that the liquidated damages specified in this paragraph are only intended to compensate Company for the early termination of this Agreement and Company's loss of revenue resulting therefrom, but not for any other breach of this Agreement by Franchisee or any other damages incurred by Company, and all remedies applicable thereto remain available to Company.

F. Each party to this Agreement states that each has no legal claims against the Company or any of its affiliates and releases the Company and its affiliates and their respective officers, directors, managers, members, agents and employees from any damage, expense, claim or actions of the past.

G. Franchisee and its owners agree to comply, and to assist Company to the fullest extent possible in its efforts to comply with Anti-Terrorism Laws (defined below). In connection with that compliance, Franchisee and its owners certify, represent, and warrant that none of Franchisee's property or interests is subject to being blocked under, and that Franchisee and its owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by Franchisee or its owners, or any blocking of Franchisee or its owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

H. The terms and conditions of the State Specific Addenda attached hereto are incorporated herein.

I. Franchisee and Company acknowledge and agree that for any amounts due hereunder that are a fixed dollar amount (e.g. a fee is $200 per month or $3,000 per occurrence) or that are calculated in a way that includes a fixed dollar amount (e.g. five percent of Gross Sales between $5,000 - $50,000 is the amount due by Franchisee), Company may adjust these dollar amounts proportionately by the amount of the increase in the Consumer Price Index, effective upon notice to Franchisee, as provided in the Operations Manual. As used herein, the term "Consumer Price Index" shall mean the United States Department of Labor's Bureau of Labor Statistics' Consumer Price Index, All Urban Consumers (CPI-U), All-Items, not seasonally adjusted, for the Chicago-Naperville-Elgin, IL-IN-WI Core Based Statistical Area (1982-84=100), or the successor of such index, or if no successor index is designated, then such other index as Company reasonably shall designate.

12. <u>Acknowledgments</u>.

A. Franchisee acknowledges that in all of Franchisee's dealings with Company, the officers, directors, managers, members, employees and agents of Company act only in a representative capacity, not in an individual capacity. Franchisee further acknowledges that this Agreement and all business dealings between Franchisee and such persons as a result of this Agreement are solely between Franchisee and Company. Franchisee acknowledges that Company reserves the right, without accountability to Franchisee, to receive and retain commissions, rebates, allowances and other similar amounts received by Company from any supplier who has been approved by Company from time to time in connection with the supply of goods, fixtures, furnishings, equipment, signs, supplies, and other products or services for the Franchised Business. Franchisee acknowledges that the covenants not to compete set forth in this Agreement are fair, reasonable and will not impose any undue hardship on Franchisee, since Franchisee has other considerable skills, experience and education which afford Franchisee the opportunity to derive income from other endeavors.

B. 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.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first above written.

GRACE INTEGRATED FRANCHISING LLC	**FRANCHISEE**	**FRANCHISEE**
By: _____ **Christopher McDevitt, as CEO & Manager**	**X** _____	**X** _____
	Name:	**Name:**
	_____	_____

GRACE INTEGRATED

Franchise # _____
Date Signed: _____

SCHEDULE A
FRANCHISEE INFORMATION

As provided in the above franchise agreement, the following information is hereby specified for inclusion in the franchise agreement.

1. **Franchise Model**: Select which business model applies:

☐ Licensed Provider Business Model ☐ Management Business Model

2. **Franchisee Names and Addresses**: The name of each member of the "Franchisee" is:

Individual Name:	Spouse or Legal Partner Name:	Complete Home (Permanent) Address:
Individual Name:	Spouse or Legal Partner Name	Complete Home (Permanent) Address:
Individual Name:	Spouse or Legal Partner Name	Complete Home (Permanent) Address:

**Note: No corporations or LLCs or other entities allowed as the franchisee – only natural individuals.*

3. **State in Which Franchisee Will Operate the Franchised Business:** _____

4. **Operating Principal**: The name of the Operating Principal designated by Franchisee is:

(Complete Once Known) _____

5. **Clinic Director**: The name of the Clinic Director designated by Franchisee is:

(Complete Once Known) _____

6. **Location Approved by Company from which to Operate the Franchised Business**.

_____

(*Complete once a location is secured, typically after signing the Franchise Agreement. Include date and initials if adding after signing FA.*)

GRACE INTEGRATED FRANCHISING LLC

By: _____
Christopher McDevitt, as CEO & Manager

FRANCHISEE

X _____

Name:

_____

FRANCHISEE

X _____

Name:

_____

GRACE INTEGRATED

SCHEDULE B
LEASE RIDER

This Lease Rider is executed as of this _____ day of _____, 20____, by and between _____ (the "Tenant") and _____ ("Landlord") as a Rider to the lease (as amended, renewed, and/or extended from time to time, the "Lease") for the Premises located at _____, in the City of _____, State of _____ (the "Premises"), dated as of _____.

WHEREAS, the Tenant's principals, _____ and _____, have executed a franchise agreement (the "Franchise Agreement") with Grace Integrated Franchising LLC, an Illinois limited liability company (the "Franchisor"), for the operation of a Grace Integrated business at the Premises, and as a requirement thereof, the Lease for the Premises must include the provisions contained in this Rider; and

WHEREAS, Landlord, Franchisor and the Tenant agree that the terms contained herein shall supersede any terms to the contrary set forth in the Lease;

NOW THEREFORE, in consideration of mutual covenants set forth herein, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord, Franchisor and the Tenant hereby agree as follows:

1. The Premises may be used only for the operation of a Grace Integrated business.

2. Landlord shall deliver to the Franchisor a copy of any notice of default or termination of the Lease at the same time such notice is delivered to the Tenant, but no later than thirty (30) days before a termination of the Lease would become effective.

3. The Franchisor (or its affiliate/designee) shall have the right, but not the obligation, upon giving prior written notice of its election to the Tenant and Landlord, to enter the Premises to cure any breach of the Lease, and if so stated in the notice, to also succeed to the Tenant's rights, title, and interests thereunder.

4. Notwithstanding anything to the contrary contained in the Lease, and subject to Paragraph 1 of this Rider, the Tenant shall have the absolute right to sublet, assign or otherwise transfer its interest in the Lease to the Franchisor or its affiliate/designee, or to a company with which the Tenant or the Franchisor may merge or consolidate, without Landlord's approval, written or otherwise, without any increase in rent (except as provided in the Lease), without a material change in any other terms of the Lease, and without execution of any additional guaranty of the obligations under the assigned Lease.

5. Subject to Paragraph 1 of this Rider, the Tenant shall, if requested by the Franchisor (or its affiliate/designee), assign to the Franchisor (or its affiliate or to a company with which the Tenant or the Franchisor may merge or consolidate), and Landlord hereby irrevocably and unconditionally consents to such assignment, all of the Tenant's rights, title, and interest to and under the Lease upon (i) any termination of the Lease or the Franchise Agreement or (ii) if no subsequent Franchise Agreement is executed; but no such assignment shall be effective unless: (a) the Franchise Agreement is terminated or expires without execution of a renewal Franchise Agreement; and (b) the Franchisor (or its affiliate or a company with which the Tenant or the Franchisor may merge or consolidate), notifies the Tenant and Landlord in writing that it assumes the Tenant's obligations under the Lease.

6. In addition to any prior written consent of the Landlord that may be required by the terms of the Lease: (a) the Lease may not be modified, amended, renewed or extended in any manner or assigned

by the Tenant without the Franchisor's prior written consent; (b) the Premises may not be altered or modified in any way without the Franchisor's prior written consent; and (c) the Premises may not be sublet, subdivided or used for any purpose other than for the operation of a Grace Integrated business without the Franchisor's prior written consent.

7. The Tenant and Landlord acknowledge and agree that the Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) shall have no liability or obligation whatsoever under the Lease unless and until the Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) assumes the Lease in writing pursuant to Paragraphs 3, 4 or 5 above. The Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) shall assume all of the Tenant's obligations under the Lease from and after the date of assignment, but shall have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment.

8. If the Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) assumes the Lease, as above provided, the Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) may further assign or sublet the Lease to another person or entity to operate the Grace Integrated business at the Premises, subject to Landlord's prior written consent which consent shall not be unreasonably withheld or delayed. No such consent shall be required if the Lease is assigned or sublet to another Grace Integrated business franchisee. The Franchisor (or its affiliate/designee or the company with which the Franchisor may merge or consolidate) shall be fully released from any and all liability to Landlord in the event that the Lease is assigned or sublet to another Grace Integrated business franchisee/operator. Landlord agrees to execute such further documentation to confirm its consent to the assignments permitted under this Rider as the Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) may request.

9. If the Franchise Agreement expires or is terminated during the Term of the Lease, Landlord shall be able to exercise its right to terminate the Lease and/or to exercise its other remedies under the Lease, unless the Lease is assumed by the Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) within thirty (30) days of the termination or expiration of the Franchise Agreement.

10. If the Lease expires or is terminated for any reason, the Franchisor (or its affiliate/designee) may, upon prior written notice to Landlord, enter the Premises and remove any signs or other articles bearing any trade names, logos, trade-marks that are part of the System and de-identify the leased Premises as a Grace Integrated business (including, without limitation, removing any Grace Integrated business trade dress features and/or fixtures), without legal process and without being guilty of trespass.

11. Landlord and the Franchisor may rely upon any notice from either of them regarding the status of the Lease or of the Franchise Agreement; they shall have no duty to perform any independent investigation to verify the Tenant's rights under the Lease or the Franchise Agreement; and, the Tenant agrees to indemnify and hold the Franchisor (and its affiliates and company with which the Franchisor may merge or consolidate) harmless from any and all claims, expenses and attorneys' fees arising out of the Lease and the reliance upon the Franchisor's or Landlord's representations regarding the Tenant's status, the status of the Franchisor or the status of the Franchise Agreement.

12. Landlord shall make available to the Franchisor all information which it collects or produces related to sales of the Grace Integrated business and the way in which the Grace Integrated business is operated. The Tenant consents to Landlord providing all such information to the Franchisor.

13. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to the Company at 414 Plaza Drive, Suite 301, Westmont, Illinois 60559, Attn: CEO or such other address as the Franchisor shall specify by written notice to Landlord. Any and all notices to Landlord shall be to the address contained in the Lease or such other address as the Landlord shall specify by written notice to Franchisor.

14. Landlord and Tenant acknowledge that Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) is an intended third-party beneficiary of the Lease and shall be entitled to enforce any provisions set forth herein benefiting Franchisor (or its affiliate or a company with which the Tenant or the Franchisor may merge or consolidate), subject to the conditions set forth in this Rider.

15. Under the Franchise Agreement, any lease or any modification or renewal of the Lease for the Premises of the Grace Integrated business is subject to the Franchisor's approval.

IN WITNESS WHEREOF, the undersigned parties have executed this Lease Rider.

LANDLORD:

_____

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

GRACE INTEGRATED FRANCHISING LLC

By: _____

Name: Christopher McDevitt,

Title: CEO & Manager

Date: _____

TENANT:

_____

By: _____

Name: _____

Date: _____

STATE SPECIFIC ADDENDA TO
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are made to the Grace Integrated Franchising LLC Franchise Disclosure Document and may supersede, to the extent required by valid applicable state law, certain portions of the Franchise Agreement.

ILLINOIS

Item 17 of the Franchise Disclosure Document and sections of the Franchise Agreement are amended as follows:

Illinois law governs the Agreements.

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.

Your rights upon termination and non-renewal of a franchise are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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 Illinois is void.

ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL.

If you are NOT licensed/certified in Illinois to provide services of the nature described in this disclosure document, you must negotiate the terms of a Management Agreement with licensed professionals who will provide the services that this franchised business offers. Retain an experienced attorney who will look out for your best interests in this business venture.

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state specific addenda, if any, supersedes any inconsistent portion of the Franchise Agreement dated the _____ and of the Franchise Disclosure Document, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

Dated this _____.

GRACE INTEGRATED FRANCHISING LLC	**FRANCHISEE**	**FRANCHISEE**
By:_____	**By:**_____	**By:**_____
Christopher McDevitt	**Name:**	**Name:**
Title: CEO & Manager	_____	_____

RECEIPT OF FRANCHISE-RELATED DOCUMENTS

GRACE INTEGRATED FRANCHISE SYSTEM

The undersigned does hereby acknowledge receipt of the following documents, in form for execution, relating to a Grace Integrated franchise of Grace Integrated Franchising LLC.

THE PROPOSED FRANCHISEE MUST INITIAL ON THE LINE NEXT TO THE FOLLOWING APPLICABLE DOCUMENT(S):

X_____	**X**_____	[_X_]	Franchise Agreement with State Specific Addenda (if applicable)
_____	_____	[___]	Other, Specify _____.

I further acknowledge that it is my responsibility to review all such documents personally or to have my attorney review such documents so that I am fully familiar with the transaction contemplated by these documents prior to the execution of any document.

A FEDERAL TRADE COMMISSION RULE REQUIRES THAT WE PROVIDE FRANCHISEE WITH THE FRANCHISE-RELATED DOCUMENTS NOTED ABOVE AT LEAST SEVEN CALENDAR DAYS PRIOR TO THE DATE THEY ARE TO BE EXECUTED. PLEASE DO NOT SIGN OR RETURN THESE DOCUMENTS UNTIL SEVEN CALENDAR DAYS HAVE ELAPSED FROM THE DATE OF THIS RECEIPT.

Signed: **X** _____	Signed: **X** _____
Print Name:_____	Print Name:_____
Date Received: **X** _____	Date Received: **X** _____

Exhibit F

GENERAL RELEASE

The Franchisee, jointly and severally, for Franchisee and each and all of Franchisee's officers, directors, shareholders, members, employees, agents, successors and assigns does hereby remise, release, forever discharge, and covenant not to sue Franchisor and its respective representatives, officers, directors, shareholders, members, employees, agents, attorneys, affiliated entities, successors and assigns from any actions, causes of action, claims, demands, statutes, arbitrations, expenses, damages and liabilities, whether at law or in equity, existing or arising prior to and after the date hereof, known as well as unknown, which the Franchisee has ever had or will ever have.

Notwithstanding any terms of this General Release to the contrary, this General Release hereby expressly excludes claims arising from representations in the Franchise Disclosure Document and its exhibits and amendments.

Date:_____

_____
FRANCHISING LLC
Franchisee

By:_____
Name: _____

GRACE INTEGRATED

Franchisor

By:_____
Name: _____
Title: _____

Exhibit G

GRACE INTEGRATED

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
Illinois	

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

EXHIBIT H **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 Grace Integrated Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give 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.

Michigan, Oregon and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The franchisor is Grace Integrated Franchising LLC located at 414 Plaza Drive, Suite 301, Westmont, Illinois 60148. Its telephone number is (708) 512-5555.

Issuance Date: April 30, 2026.

The name, principal business address and telephone number of each franchise seller offering the franchise: Julie McDevitt, Grace Integrated Franchising LLC located at 414 Plaza Drive, Suite 301, Westmont, Illinois 60148, (708) 512-5555; Chris McDevitt, Grace Integrated Franchising LLC located at 414 Plaza Drive, Suite 301, Westmont, Illinois 60148, (708) 512-5555; and _____.
[Any broker or other franchise seller involved in a particular franchise transaction must be disclosed here before the disclosure document is given to the prospective franchisee.]

Grace Integrated Franchising LLC authorizes the respective state agencies identified in Exhibit B to receive service of process for it in the particular state.

I have received a disclosure document dated April 30, 2026 that included the following Exhibits:

Exhibit A	State Administrators
Exhibit B	Agents for Service of Process
Exhibit C	Franchisee Information
Exhibit D	Financial Statements
Exhibit E	Franchise Agreement with State Specific Addenda
Exhibit F	General Release
Exhibit G	State Effective Dates
Exhibit H	Receipts

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

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