

## FRANCHISE DISCLOSURE DOCUMENT

DENTAL FIX RX, LLC  
a Florida Limited Liability Company  
4380 Oakes Road, Suite 800  
Davie, FL 33314  
1-800-586-0340  
email: [info@dentalfixrx.com](mailto:info@dentalfixrx.com)  
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Dental Fix Rx, LLC, offers franchises for the operation of Mobile Service Centers which provide cost effective one stop shopping to medical practitioners and other practitioners in fields, such as, but not limited to, dentistry, veterinary and tattoo parlors. Each Dental Fix franchise will also provide equipment maintenance, service and repair, handpiece repair, equipment sales, and consumable products relating to dentistry and other medical fields. The franchises operate under the Principal Marks: **Dental Fix®**.

The total investment necessary to begin operation of a **Dental Fix Rx®** franchise is \$60,100 to \$158,000. This includes approximately \$45,000 to \$70,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Eric Masson at Dental Fix Rx, LLC, 4380 Oakes Road, Suite 800, Davie, FL 33314 and 1-800-586-0340.

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

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

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

Issuance Date: April 7, 2017

## STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

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

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENT, WITH CERTAIN EXCEPTIONS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
2. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE ALL DISPUTES WITH DENTAL FIX RX, LLC BY LITIGATION ONLY IN BROWARD COUNTY, FLORIDA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. Such franchise brokers or referral sources represent us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates

## **STATE EFFECTIVE DATES**

The following states require that the Franchise Disclosure Document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration or disclosure laws, with the following effective dates.

<b>STATE</b>	<b>EFFECTIVE DATE(S)</b>	
California		
Illinois		
Indiana		
Maryland		
Michigan	October 29, 2016	
Minnesota		
New York		
North Dakota		
Rhode Island		
South Dakota		
Virginia		
Washington		
Wisconsin		

In all the other states, the effective date of this Franchise Disclosure Document is the Issuance Date of April 7, 2017.

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition of the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assign to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

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

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

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

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

Any questions regarding this Notice shall be directed to the Department of Attorney General, Consumer Protection Division, G. Mennen Williams Building, 1<sup>st</sup> Floor, 525 West Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

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## EXHIBITS

Exhibit A	State Administrators/Agents for Service of Process
Exhibit B	State Specific Addenda
Exhibit C	Franchise Agreement
Exhibit D	Table of Contents of Confidential Operating Manual
Exhibit E-1	List Current Franchisees
Exhibit E-2	List of Franchisees Who Have Left the System
Exhibit F	Audited Financial Statements
Exhibit G	Sample Copy of General Release
Exhibit H	Promissory Note
Exhibit I	Franchisee Disclosure Acknowledgment Statement

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

To simplify the language in this disclosure document, “we”, “us”, “our” or “Dental Fix” means Dental Fix Rx, LLC, the Franchisor. “You” and “your” mean the person who buys the franchise, the franchisee. If the purchaser of the franchise is a partnership, corporation, limited liability company, or other entity, “you” includes the franchisee’s owners, who must join, and agree to be bound by, your Franchise Agreement, which is attached as Exhibit C to this disclosure document.

All initially capitalized terms appearing in this disclosure document have the meanings given to them in your Franchise Agreement, unless otherwise defined.

### **Franchisor**

We are a Florida limited liability company, organized on June 26, 2009. We changed our state of organization from New Jersey to Florida effective on December 11, 2015, and changed our name from Dentalfix Rx, LLC to Dental Fix Rx, LLC on February 5, 2016. Our principal business address is 4380 Oakes Road, Suite 800, Davie, Florida 33314. We conduct business under the name and mark “Dental Fix,” “Dental Fix Rx” and such other trademarks, service marks, trade dress, logotypes, slogans and other commercial symbols we may license or sublicense to you (“the Marks”). We began selling Dental Fix franchises in September, 2009. We offer and sell franchises for Dental Fix Businesses. We do not operate ourselves any businesses of the type being franchised. We do, however, also operate a business that provides small equipment repair services to dental practices, which services we may offer to dental practices located in your Territory. We began operating this business in March 2015. We do not offer franchises in any other line of business.

Our agent for service of process is listed on Exhibit A to this disclosure document.

### **Parents, Affiliates, and Predecessors**

We do not have any parents and we do not have any predecessors from whom we acquired, directly or indirectly, the major portion of our assets within the past 10-year period.

Our affiliate, JDS Franchise Financing, LLC (“JDS”) is a New Jersey limited liability company, which has its principal address at 568 Amboy Avenue, Woodbridge, New Jersey 07095. JDS may provide, in its sole discretion, bridge financing for approved Dental Fix franchisees. JDS does not offer Dental Fix franchises or any other franchises. Neither Dental Fix nor JDS operates any business of the type being franchised. In addition, JDS has not conducted any other line of business.

Our affiliate, FDR Holdings, LLC d/b/a Florida Dental Repair, Inc. (“FDR Holdings”) is a Florida limited liability company, with its principal address at 10820 75th Street North, Seminole, Florida 33777. FDR Holdings provides hand piece repair services. Our franchisees may, but are not required to, use FDR Holdings for hand piece repair services. We reserve the right to require our franchisees to use FDR Holdings for services or to purchase products from in the future. FDR Holdings does not operate, and has never operated, the type of business offered by this disclosure document. FDR Holdings has never offered, and does not currently offer, franchises for this or any other line of business.

We have no other affiliates that provide products or services to our franchisees.

## **The Dental Fix Business**

We have developed and own a special system for operating Mobile Service Centers (“Mobile Service Center”), which provide equipment maintenance, service and repair, equipment sales, handpiece repair, and consumable products to dentists and dental practices (“Practitioners”) (the “Dental Fix Business”). Mobile Service Centers will be vehicles specified by us which are equipped for a Dental Fix Business. Your Dental Fix Business involves operating at least one of these Mobile Service Centers in a specified territory, which typically includes between 50 and 350 Clinics. “Clinic” means Practitioner offices regardless of the number of Practitioners within the physical premises, hospitals, as well as any other business that your Dental Fix Business provides services and products to. A single Practitioner may count as one Clinic and a physical office space with more than one Practitioner may be counted as only one Clinic in our sole discretion. If your Dental Fix Business has an average gross revenue of \$10,000 per month for 3 consecutive months, then we may, in our discretion, require you to purchase an additional Mobile Service Center vehicle. The Dental Fix Business operates under the Principal Mark **Dental Fix Rx**<sup>®</sup> and any other trade name, service marks and trademarks that we may designate otherwise in writing for use with the System (the “Proprietary Marks”). You must conduct your Dental Fix Business according to our Confidential Operating Manual (the “Manual”), a copy of which we will either lend to you or provide you with electronic access to for the term of the Franchise Agreement. You may offer only those services and sell only those items and products that we specify or approve.

## **Competition and Market for Your Services**

You will offer onsite service, repair and sales to Practitioners within your territory. Your potential customer base will primarily be comprised of practitioners of general dentistry and other dental specialties, as well as dental laboratories, other medical practitioners and medical laboratories, veterinarians, and tattoo parlors. Depending on your location, your sales will typically not be seasonal. Your competition will be other dental or medical supply and service businesses, mail order dental and medical equipment businesses, and other local, regional and national businesses which may provide similar services and which may be well-financed and highly sophisticated. There are competitors offering services similar to those provided by Dental Fix. We may also compete with you with respect to our business of providing small equipment repair services to dental practices.

## **Industry Specific Regulations**

You must educate yourself on, and must comply with all local, state and federal laws and ordinances that apply to your Business operations. Among the other licenses and permits you may need are: Sales and Use Tax Permits, and Retail Sales Licenses. Some states also require licenses and/or permits to service x-ray machines and/or to sell medical devices and equipment to dentists. There may be other laws, rules or regulations which affect your Business, including minimum wage and labor laws along with ADA, OSHA and EPA considerations. We recommend that you consult with your attorney for an understanding of these laws.

The United States enacted the “Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001” (the “USA Patriot Act”). We are required to comply with the USA Patriot Act. To help us comply with the USA Patriot Act, we ask you in the Franchise Agreement to confirm for us that neither you nor your directors, officers, shareholders, partners, members, employees, or agents are suspected terrorists or persons associated with suspected terrorists or are under investigation by the U.S. government for criminal activity. You may review the Patriot Act and related regulations at: <http://www.treasury.gov/offices/enforcement/ofac/sdn>.



There may be other laws and regulations regarding your operation of a Dental Fix Business. You should investigate these laws and regulations.

## **ITEM 2. BUSINESS EXPERIENCE**

### **Chairman and Chief Executive Officer: David Lopez**

Mr. Lopez serves as our Chairman and CEO. He has served as our CEO since the formation of our limited liability company in June 2009, and has served as our Chairman since February 2016. From June 2009 to February 2016, Mr. Lopez also served as our President. From June 2014 to present, Mr. Lopez has served as Chief Executive Officer and President of Fruits Franchising Companies, Inc. in Davie, Florida. From August 2016 to the present, Mr. Lopez has served as managing partner of Yoga Joint, which has a total of 3 yoga studios in Ft. Lauderdale, Florida and Boca Raton, Florida. From June 2015 to the present, Mr. Lopez has served as Co-Chief Executive Officer of Tralongo, LLC, a dental management company, in Sunrise, Florida. From September 2014 to September 2015, and from August 2010 to January 2013, he served as Chief Executive Officer of Dr. G's Franchising Companies, LLC, in Davie, Florida.

### **Chief Operating Officer: Brian Dershow**

Mr. Dershow has served as our COO since September of 2011. Mr. Dershow previously served as our Vice President of Franchise Development from September 2009 to September 2011.

### **Chief Legal Officer: Eric Masson**

Mr. Masson became our Chief Legal Officer in July 2016. Since July 2016 to the present, Mr. Masson also serves as the Chief Legal Officer of Tralongo, LLC in Sunrise, Florida. Mr. Masson served as a commissioned officer in the U.S. Coast Guard from 1997 until 2016. As a Coast Guard officer Mr. Masson served in operations, finance, and as a Judge Advocate providing in-house legal counsel to senior leadership. From 2011 to 2013, Mr. Masson served as the Assistant Legal Advisor to U.S. Southern Command in Doral, Florida. From 2013 to 2016, Mr. Masson served as the Deputy Staff Judge Advocate (Deputy Regional Counsel) for the Coast Guard's Seventh District, Headquartered in Miami, Florida.

### **Chief Financial Officer: Brian LaBasco**

Mr. LaBasco began as our Chief Financial Officer in August 2016. Since January 2016 to the present, Mr. LaBasco also serves as the Chief Financial Officer of Tralongo, LLC in Sunrise, Florida. From 2010 to January 2016, Mr. LaBasco served as Vice President of Mergers and Acquisitions for Cross Keys Capital in Ft. Lauderdale, Florida.

### **Executive Vice President of Business Development: Scott V. Mortier**

Mr. Mortier has served as our Executive Vice President of Business Development since February 2015. From August 2015 to the present, Mr. Mortier has also served as the Executive Vice President of Business Development for Tikiz Franchising, LLC in Boca Raton, Florida, and from November 2015 to the present, he has been the Executive Vice President of Business Development for Gyroville Franchising Company, LLC in Boca Raton, Florida. Since May 2014 to the present, Mr. Mortier has been the Chief Operating Officer of Fruits Franchising Companies, Inc. in Davie, Florida. From May 2014 through February 2015, he was our Vice President of Business Development, and from November 2012 to May 2014, he was our Director of Franchise Sales. Prior to joining Dental Fix, Mr. Mortier served as General Manager of The Big Onion Tavern Group in Chicago, Illinois from January 2012 to September 2012.

**Senior Director of Training: Matthew J. Lau**

Mr. Lau has been our Senior Director of Training since January 2016, and was our Director of Training from November 2012 to January 2016. Prior to joining Dental Fix, Mr. Lau was a Medical Logistics Flight Chief for the US Air Force from January 2009 to January 2013 in Patrick Air Force Base, Florida.

**Board Member/Director: Dr. Ken Tralongo**

Dr. Tralongo has served as a Board Member/Director of Dental Fix since February 2016 in Atlanta, Georgia. From June 2015 to the present, Dr. Tralongo has served as Co-Chief Executive Officer of Tralongo, LLC in Atlanta, Georgia. From 2015 to present, Dr. Tralongo has served as a Managing Member of Popping Perio, a dental specialist that covers dental offices in Atlanta, Georgia. From 2015 to present, Dr. Tralongo has served as Chief Executive Officer of Tralongo Dental Solutions LLC, a dental management company in Houston, Texas. From 2013 to present, Dr. Tralongo has served as President of Downtown Atlanta Dentistry PC, a dental office in Atlanta, Georgia. From 2012 to present, Dr. Tralongo has served as President of East Cobb Family Dentistry PC, a dental office in Marietta, Georgia. From 2011 to present, Dr. Tralongo has been the President of Flat Creek Family Dentistry PC, a dental office in Peachtree City, Georgia, the President of Midtown Smile Center PC, a dental office in Atlanta, Georgia, the President of Norcross Dental Associates PC, a dental office in Norcross, Georgia, and the President of Windy Hill Dental Associates PC, a dental office in Marietta, Georgia. From 2010 to present, Dr. Tralongo has served as President of Buckhead Smile Center PC, a dental office in Atlanta, Georgia. From 2008 to present, Dr. Tralongo has served as the Secretary of Buckhead Atlanta Dentistry PC, a dental office in Atlanta, Georgia. From 2007 to present, Dr. Tralongo served as President of Douglasville Dental Associates PC, a dental office in Douglasville, Georgia. From 2005 to present, Dr. Tralongo has been the President of Tralongo Management PC, a dental management company in Atlanta, Georgia. From 1999 to present, Dr. Tralongo has been the President of Lawrenceville Dental Associates PC, a dental office in Lawrenceville, Georgia.

**Board Member/Director: Michael Ashkin**

Mr. Ashkin has served as a Board Member/Director of Dental Fix since February 2016 in Miami, Florida. From December 2006 to the present, Mr. Ashkin has served as managing member of M&S Investment Holding I, LLC in Miami, Florida. From July 1993 to the present, Mr. Ashkin has been the Chairman of Darby Group Companies, Inc. in Miami, Florida.

**Board Member/Director: Joseph Saade**

Mr. Saade has served as a Board Member/Director of Dental Fix since February 2016 in Miami, Florida. From 2009 to the present, Mr. Saade has been the managing director of Wau Mobile in Miami, Florida, and from 2012 to the present, has been the managing director of Becami Group in Key Biscayne, Florida.

**Board Member/Director: Alex Farman-Farmaian**

Mr. Farman-Farmaian has served as a Board Member/Director of Dental Fix since February 2016 in New York, New York. From January 2006 to the present, Mr. Farman-Farmaian has been the Vice Chairman and partner of Edgewood Management LLC in New York, New York.

### **ITEM 3. LITIGATION**

#### **Pending Actions**

*Suzanne Degnen, D.M.D., P.C. d/b/a Sunset Tower Family Dentistry v. Dental Fix Rx LLC and David Lopez*; Case No. 4:15-cv-01372-JAR (United States District Court for the Eastern District of Missouri; filed February 13, 2015)

A dental office has filed a class action petition against Dental Fix for alleged violation of the Telephone Consumer Protection Act of 1991, as amended by the Junk Fax Prevention Act of 2005, and the regulations promulgated thereunder (the “TCPA”). On August 5, 2016, the Court dismissed the Plaintiff’s complaint as to David Lopez without prejudice, denied Plaintiff’s motion for class certification without prejudice, and stayed the action until a final ruling is issued by the Federal Communications Commission (“FCC”) on Dental Fix’s Petition for Retroactive Waiver, which Petition was granted by the FCC in December 2015. This action remains stayed, however, pending further order of the Court.

Other than this action, no litigation is required to be disclosed in this Item.

### **ITEM 4. BANKRUPTCY**

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

### **ITEM 5. INITIAL FEES**

#### **Initial Franchise Fee**

Your Initial Franchise Fee is \$25,000. The Initial Franchise Fee must be paid in a lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is typically uniform. However, when the Initial Franchise Fee was \$30,000, we agreed in certain instances to discount the Initial Franchise Fee by \$5,000 for additional Dental Fix franchises purchased by the same franchisee. This does not mean we will agree to any discount of the Initial Franchise Fee. Last year, the Initial Franchise Fee was \$30,000 and the Initial Franchise Fees paid to us varied from \$25,000 to \$30,000. The Initial Franchise Fee is fully earned and generally non-refundable. However, under certain limited circumstances and if your Territory has more than 250 Clinics, we may refund the Initial Franchise Fee you have paid to us if, after twelve (12) months of operation you have engaged in the minimum amount of “Marketing Activity,” but you have not serviced at least 40 Practitioners as customers. You are entitled to a refund only if you strictly comply with our Confidential Operations Manual in operating your Dental Fix franchise business, you conduct your business at least 40 hours per week, and you engage in the minimum amount of “Marketing Activity” in your Territory, which consists of making physical marketing/solicitation visits to Practitioners and/or Clinics and making follow-up phone calls to these Practitioners and/or Clinics that are documented in the RunDFX call log note page and labeled as being made for the purpose of “marketing.” The minimum amount of Marketing Activity you must engage in is as follows: (i) two hundred (200) visits or documented follow-up calls per month for the first 3 months; and (ii) one hundred twenty (120) visits or documented follow-up calls per month for the remaining 9 months. Additional details and restrictions are contained in our Customer Guarantee Addendum to the Franchise Agreement. Franchisees in smaller territories with 250 Clinics or less may not be eligible for the refund and our Customer Guarantee Addendum, which we will determine in our discretion.

### Initial Training Fee

There is no initial training fee for you to send one (1) trainee to our initial training program. The training fee for additional trainees and for new employees is \$15,000 per trainee. Such training fees are payable a minimum of thirty (30) days prior to training and are non-refundable. These training fees are uniform. If you or any of your trainees do not successfully complete the initial training program to our satisfaction, the trainee may re-enroll in the initial training program for which we will charge a \$5,000 fee. You are responsible for all expenses incurred by you and your trainees' in connection with the training, including, but not limited to, travel, transportation, meal, lodging and living expenses.

### Expedited Buildout Fee

If you are required to purchase a Mobile Service Center vehicle, you must purchase and have the vehicle delivered to our corporate headquarters at least 7 days, but not more than 14 days, prior to the first day of your scheduled initial training program. If you do not have the Mobile Service Center vehicle delivered to our headquarters at least 7 days prior to the first day of your scheduled initial training program, then we will charge you an expedited mobile service center buildout fee of \$5,000 ("Expedited Buildout Fee") if we, in our sole discretion, decide to expedite the buildout of and ready your Mobile Service Center vehicle for the initial training program. If we decline to expedite the buildout of your Mobile Service Center or are unable to complete the buildout prior to the first day of your scheduled initial training program, for any reason(s), then we may, in our sole discretion, require you to reschedule your initial training program, in which case you will be charged a \$1,000 cancellation fee.

### Mobile Service Center Buildout, Equipment, Computer System, Opening Inventory and Supplies

Before you commence operation of your Dental Fix Business, you will be required to purchase from us an initial supply of repair parts, equipment and tools, as well as the custom equipment and computer system package, vehicle wrap and GPS system for your Mobile Service Center vehicle. You will also be required to use us to perform the build-out/uplifts to your Mobile Service Center vehicle. We estimate that your cost to purchase these items and services from us will range from \$20,000 to \$30,000. These costs are not refundable and are payable in lump sum before your Dental Fix Business commences operations.

You are not required to pay us or our affiliates any other fees or payments for goods or services before your Dental Fix Business opens.

## ITEM 6. OTHER FEES

Type of Fee	Amount	Date Due	Remarks
Additional Territory Area Fee (for Territory Expansion)	\$3,500 for each Additional Territory Area you purchase.	Upon our purchase of an Additional Territory Area	<p>You may, only if we approve, in our sole discretion, expand your Territory by purchasing additional, available territory areas that are adjacent to your Territory (“Additional Territory Area(s)”). Each Additional Territory Area will contain approximately 50 Clinics, although the actual number of Clinics in such Additional Territory Area may be less.</p> <p>In addition, upon your purchase of each Additional Territory Area, your Corporate Support Fees and Marketing Contribution Fees will increase as set forth below and in Sections 6.2 and 6.4 of the Franchise Agreement.</p>

Type of Fee	Amount	Date Due	Remarks
Corporate Support Fee ("CSF")	<p><b>First 6 Months of Operation:</b> Initial Territory Clinic Count 50 -250, weekly CSF for 0-1 Mobile Service Centers \$100, plus \$75 for each additional Mobile Service Center.</p> <p>Initial Territory Clinic Count 251 and up, weekly CSF for 1 Mobile Service Center \$175, plus \$130 for each additional Mobile Service Center.</p> <p><b>Months 7 through 24 of Operation:</b> Initial Territory Clinic Count 50-250, weekly CSF for 0-1 Mobile Service Centers \$175, plus \$130 for each additional Mobile Service Center.</p> <p>Initial Territory Clinic Count 251 and up, weekly CSF for 1 Mobile Service Center \$350, plus \$235 for each additional Mobile Service Center.</p> <p><b>Months 25 through 48 of Operation:</b> Initial Territory Clinic Count 50-250, weekly CSF for 0-1 Mobile Service Centers \$225, plus \$165 for each additional Mobile Service Center.</p> <p>Initial Territory Clinic Count 251 and up, weekly CSF for 1 Mobile Service Center \$450, plus \$285 for each additional Mobile Service Center.</p> <p><b>Month 49 through the term of the Franchise Agreement:</b> Initial Territory Clinic Count 50-250, weekly CSF for 0-1 Mobile Service Centers \$275, plus \$185 for each additional Mobile Service Center.</p> <p>Initial Territory Clinic Count 251 and up, weekly CSF for 1 Mobile Service Center \$550, plus \$285 for each additional Mobile Service Center.</p> <p><b>For each Additional Territory Area you purchase during the term of the Franchise Agreement, your CSF will increase by \$50.</b></p>	Due weekly.	CSFs are payable by automatic debit, and funds equal to twice your average weekly CSF payments and marketing contributions must be available in your account at all times. See notes 1 and 2.

Type of Fee	Amount	Date Due	Remarks												
Marketing Contribution Fee	<table><tr><td colspan="2">Full Term of Franchise Agreement</td></tr><tr><td colspan="2"><b><u>Marketing Contribution Fee</u></b></td></tr><tr><td><b><u>Initial Clinic Count</u></b></td><td><b><u>Weekly Total</u></b></td></tr><tr><td>50-250</td><td>\$40</td></tr><tr><td>251-and up</td><td>\$65</td></tr><tr><td colspan="2">For each Additional Territory Area you purchase, your Marketing Contribution Fee will increase by \$10.</td></tr></table>	Full Term of Franchise Agreement		<b><u>Marketing Contribution Fee</u></b>		<b><u>Initial Clinic Count</u></b>	<b><u>Weekly Total</u></b>	50-250	\$40	251-and up	\$65	For each Additional Territory Area you purchase, your Marketing Contribution Fee will increase by \$10.		Due weekly.	Your Marketing Contribution Fee is due and payable at the same time and in the same manner as your CSF each week. See notes 1 and 2.
Full Term of Franchise Agreement															
<b><u>Marketing Contribution Fee</u></b>															
<b><u>Initial Clinic Count</u></b>	<b><u>Weekly Total</u></b>														
50-250	\$40														
251-and up	\$65														
For each Additional Territory Area you purchase, your Marketing Contribution Fee will increase by \$10.															
Annual meeting fee	Up to \$1,000 for enrollment plus your travel and living expenses.	As invoiced prior to our annual meeting.	We may hold a mandatory annual franchisee meeting, and we may charge you up to \$1,000 for the meeting. You are responsible for your travel and living expenses in connection with the meeting.												
Transfer Fee	\$15,000	Due when franchise agreement is signed by transferee but transfer not effective until all requirements are met and transferee completes training. If transferee commences training but does not complete it 50% of transfer fee is refunded. Otherwise, fee is non-refundable.	No transfer fee is imposed on transfer of an interest in your business to a trustee, guardian or executor for the benefit of its spouse or descendant of the franchisee, Designated Principal or principal owner or a transfer to an entity with identical ownership to the transferor.												

<b>Type of Fee</b>	<b>Amount</b>	<b>Date Due</b>	<b>Remarks</b>
Interest on Overdue Payments	The lesser of 18% per year or the highest rate allowed by applicable law.	Immediately upon billing.	Interest charges apply to any amount that we do not receive from you when it is due, including CSFs, marketing contributions, purchases from us and all other payments due from you.
Returned Check or Non-Sufficient Funds Fee	\$100 per incident	Upon invoice	In the event any Electronic Funds Transfer is not honored by your bank for any reason, we will charge you this fee.
Service Fee	3% of the total charge	Upon payment by credit card	If we call you to and you make any payment to us or our affiliate by credit card for any fee or required payment to us or our affiliate, we or our affiliate may charge you this service fee.
Mediation Expenses	Will vary under the circumstances.	At the time a mediation is conducted or as invoiced.	If we engage in mediation to resolve a dispute between us we will share the costs of the mediation including the mediator's fees and facility costs. We will each pay our own attorneys' fees and travel expenses associated with the mediation.
Attorneys' Fees	Will vary under the circumstances	As ordered by the judge.	See note 3.
Renewal Fee	25% of the then current initial franchise fee	Upon renewal	To renew your agreement with us you must also sign our then-current form of franchise agreement and satisfy all of the other conditions to renewal in your franchise agreement.



Type of Fee	Amount	Date Due	Remarks
On-Site Grand Opening Launch Training Expenses	Our travel, lodging and meal expenses.		We may, in our sole discretion, provide you with up to five (5) days of on-site training and assistance immediately before and/or after the commencement of operations of your Dental Fix Business. The duration and timing of such on-site training and assistance will be determined by us in our sole judgment. There will be no fee charged for this on-site grand opening launch training, if we decide to provide it, but you must pay us for our travel, lodging and meal expenses.
Ongoing training fees	<p>We may require additional training. If we do, we will not charge you fees for such ongoing (post-initial) training we may provide, but you will be responsible for any travel and lodging expenses associated with attending any on-going training sessions.</p> <p>Fees for any elective additional training or optional training classes we may provide are described in Notes 4-5.</p>	As invoiced.	We may also require you to attend training provided by third party manufacturers and other suppliers from time to time at your expense.
On-Site Operational Training	Reimbursement of our personnel's expenses including travel, lodging and meals.	As invoiced.	If your revenues fall below a minimum threshold that we determine in our sole and absolute discretion, we have the right, but not the obligation, to send our operational personnel to provide additional training, guidance, and/or recommendations, as we may deem appropriate.

<b>Type of Fee</b>	<b>Amount</b>	<b>Date Due</b>	<b>Remarks</b>
Small Equipment Repairs and Special Repairs	Actual cost of the repair including labor, parts and supplies, as well as shipping and delivery costs.	As invoiced	For repairs that cannot be repaired on-site, and if the equipment can be repaired by our Small Equipment Repair Center, then you must use us and no other vendor for such repairs, in accordance with our procedures as set forth in the Manual or otherwise.
On-Site Technical Support and Repair Services	Our fee for such services, which will depend upon the scope of the work to be performed, the number of technicians required, and the time and labor required, among other factors. You must also reimburse us for our or our designees' expenses for travel, lodging and meals.	As invoiced	<p>Upon your request, we or our designee may provide on-site technical support and repair services with qualified technicians as scheduled by us.</p> <p>If we or our designee are able to provide the technical support and repair services requested, you must use us or our designee for such services and no other vendor.</p>
Indemnification	Will vary under circumstances	Upon request	See note 6.
Training Fees for additional trainees and new Mobile Service Center operators	The fee to train additional trainees (beyond the one trainee that is included in the Initial Franchise Fee) and new employees after you have received the initial training is \$15,000 for each trainee, plus the trainee's travel and living expenses during training.	As invoiced.	Mobile Service Center must be operated by employees who have completed our training program.
Bookkeeping Fee (optional)	\$300 per month. For each additional Mobile Service Center you have, we will charge you an additional \$300 per month per Mobile Service Center.	Payable monthly	See notes 1 and 7.

Type of Fee	Amount	Date Due	Remarks
Additional Bookkeeping Fee for Partial Operating Year (if you use us and/or our designated supplier for bookkeeping and reporting services)	Currently, \$33 per each non-operational month of the fiscal year for which we or our designated supplier prepares income tax return statements for your Dental Fix Business.	Upon invoice	If your Dental Fix Business has not been in operation for the entire fiscal year for which we or our designated supplier prepares your Dental Fix Business's income tax return statements, we or our designated supplier will charge you an additional fee of not more than Fifty Dollars (\$50) for each month of the tax return fiscal year your Dental Fix Business was not in operation.
Property Tax Annual Report Filing Fee (optional)	Currently, \$75 for each annual report	Annually, upon invoice	Upon your request and if required by the State in which you operate your Dental Fix Business, our designated supplier will file an annual property tax report for your Dental Fix Business. You must pay the designated supplier's then-current fee. This optional service is currently offered by our designated supplier of bookkeeping services, but this service may be discontinued at any time and the current fee charged is subject to change.
Monthly Sales Tax Return Fee (optional)	Currently, \$75 per month	Monthly, upon invoice.	Upon your request, our designated supplier will prepare and submit your Dental Fix Business's monthly sales tax returns. You must pay the designated supplier's then-current monthly fee. This optional service is currently offered by our designated supplier of bookkeeping services, but this service may be discontinued at any time and the current fee charged is subject to change.

<b>Type of Fee</b>	<b>Amount</b>	<b>Date Due</b>	<b>Remarks</b>
Software license fee	\$250 per month. For each additional Mobile Service Center you have, we will charge you an additional \$250 per month per Mobile Service Center. In addition, if you have more than one user, we will charge you an additional \$250 per month per each additional user.	Monthly on the 1 <sup>st</sup> day of each month.	This monthly fee is for the license to use our proprietary operations and financial software program. See note 1.
GPS System Fee	Up to \$50.00 per month per Mobile Service Center	Monthly on the 1 <sup>st</sup> day of each month	We or our designated supplier may charge you a fee of up to \$50 per month to maintain and support the GPS tracking system that is required to be installed on your Mobile Service Center. See note 1.
Training Cancellation Fee	\$1,000	Upon demand	If you cancel or reschedule the initial training, you must provide us with written notice at least sixty (60) days in advance of the scheduled initial training commencement date. If you fail to do so, you must pay us the cancellation.
Re-Training Fee	\$5,000	Before re-training	If you or any of your trainees do not successfully complete the initial training program to our satisfaction, the trainee may re-enroll for which we will charge you this fee.
Territory Infringement Fee	(a) for your first violation, \$1,000, plus the invoice amount for the products or services sold; and (b) for your second and subsequent violations, \$5,000, plus the invoice amount for the products or services performed.	Upon demand, within 5 days after the territory infringement is proven	If you infringe upon another Dental Fix franchisee's territory by generating income from a customer for goods and/or services provided and/or rendered within such other Dental Fix franchisee's territory without first obtaining that franchisee's and our prior written permission, you shall be required to pay to us these fees.

Type of Fee	Amount	Date Due	Remarks
E-Mail Address Fee	Currently, \$60 per dentalfixrx.com email address assigned to you.	Annually	We will charge you an annual fee of no more than One Hundred Dollars (\$100), as set forth in the Manual or otherwise, for each dentalfixrx.com e-mail address we assign to you. These e-mail addresses shall only be assigned to and used by you, your Designated Principals and your manager.
Customer Refund Reimbursement	The amount of any refund we, in our sole discretion, provide to a customer of your Dental Fix Business to remedy a customer complaint or issue with your Dental Fix Business.	Upon demand	In the event a customer of your Dental Fix Business contacts us to lodge a complaint, we reserve the right to address the customer's complaint to preserve goodwill and prevent damage to the Dental Fix brand. Our right to address customer complaints may include refunding money to the complaining customer, in which case you must reimburse us for these amounts upon demand.
Insurance Policy Coverage and Administrative Fee	The amount of unpaid premiums for your Dental Fix Business, and any other amounts we must pay to obtain the required insurance coverage for your Dental Fix Business, plus a 20% administrative fee.	Upon demand	Payable only if you fail to maintain required insurance coverage for your Dental Fix Business and we elect, in our sole discretion, to obtain the insurance coverage for your Dental Fix Business on your behalf.

Type of Fee	Amount	Date Due	Remarks
Resale Commission Fee	\$10,000	Upon closing of sale of Dental Fix Business to a Dental Fix Referral	<p>If you desire to sell and transfer your Dental Fix Business, then, upon your request and our approval, which we may withhold in our sole and absolute discretion, we, an affiliate or designee will advertise and market your Territory for resale, in the manner and for such period of time as we deem appropriate in our sole and absolute discretion, but in no event longer than a period of 6 months unless otherwise agreed in writing by us. If we refer any prospective buyers to you (“Dental Fix Referrals”), you shall be solely responsible for negotiating and consummating the transfer and sale of your Dental Fix Business to such Dental Fix Referral or any other prospective buyer. In the event you sell your Dental Fix Business, or any assets thereof, to a Dental Fix Referral, you agree to pay us this Resale Commission Fee from the proceeds of the sale at the closing.</p>

Type of Fee	Amount	Date Due	Remarks
Mutual Termination Fee	\$10,000	Upon your notice of intent to terminate	The Franchise Agreement may be terminated by the written agreement of both parties; provided, however, you must provide us with at least six (6) months' prior written notice of your intent to terminate and must: (i) immediately pay us \$10,000; (ii) have your financial statements up to date through the termination date; (iii) sign (along with your guarantors) a general release in our favor; and (iv) comply with your post-termination obligations.
Damages for Material Breach of Franchise Agreement and Premature Termination	Varies. The amount of the Corporate Support Fees due for the remainder of the term of the Franchise Agreement.	Upon demand.	If we terminate the Franchise Agreement pursuant to Section 10.2 due to your material breach of the Franchise Agreement, then, in addition to any other damages we incur or any other fees that you may owe us, you and your Guarantor(s) will also be jointly and severally liable to us for the payment of damages in the amount of the Corporate Support Fees due for the remainder of the term of the Franchise Agreement.

Notes:

1. We impose and collect all fees unless otherwise stated in this Item 6. There are no refunds of Corporate Support Fees or Training Fees. All fees are non-refundable unless otherwise stated in this Item 6. **At our discretion, we may increase your Corporate Support Fee, Marketing Contribution Fee, Software License Fee, Bookkeeping Fee, GPS System Fee and other fees annually up to a maximum of six percent (6%) from the previous year.** In this Franchise Disclosure Document and in the Franchise Agreement, each individual Practitioner (whether or not in a multi-person practice) is referred to as a separate "Practitioner." The word "Clinic" in this Franchise Disclosure Document and the Franchise Agreement refers to the offices of Practitioners, regardless of the number of Practitioners within the physical premises. Thus, a single Practitioner is one Clinic, and any physical premises with several Practitioners is still only one Clinic. This is relevant to certain other fees.

2. The fees are not uniform in amount among all Dental Fix franchisees, because they are based on the estimated number of clinics per Territory which varies among our franchisees. In addition, we have changed the fees and the clinic counts upon which the fees are based. Therefore, franchisees pay different fees depending on when certain franchisees signed a franchise agreement and depending on the number of clinics in their territories. We may require payment by methods other than automatic debit, and you must comply with our payment instructions. You agree to keep a minimum balance in your operating account equal to twice your average weekly CSF payments and marketing contributions. These fees are payable each week throughout the term hereof and are not based on your sales.
3. In any legal action to enforce the franchise agreement between us, the substantially prevailing party may recover attorneys' fees. The judge will determine if we have prevailed and the amount of our attorneys' fees that you must pay.
4. You will be responsible for any travel and lodging expenses associated with attending on-going training classes. If we implement additional levels of training to permit you to repair types of dental equipment other than those not currently part of our initial training, we may charge you an additional training fee to be determined. Fees for elective additional training cannot be determined at this time, but you will not be required to take on the additional repair services that we anticipate for these additional levels of training. If you do not elect to take the elective additional training, you will be required to send the equipment in question to us for repair.
5. We may also offer optional training classes and charge a fee for such classes, which you may attend at your expense.
6. You must reimburse us for the cost of all claims, obligations and damages that we incur which arise out of your operation or your breach of the franchise agreement between us. In addition to damages and losses, this obligation includes reasonable attorney's fees, expert witness fees, cost of investigation and proof of fact, court costs, travel and living expenses and other expenses of resolving disputes arising out of your business. We may defend any claim against you at your expense and agree to a settlement of such claim, and you must reimburse us. In addition, you must indemnify and reimburse us and your depository bank for the losses arising in the event that a debit to your bank account is dishonored in connection with the collection of CSF, marketing contributions or any other amount due to us. Finally you must indemnify and reimburse us for monies that we pay to service providers to terminate your telephone number listings, email addresses and URLs after termination or expiration of the franchise agreement between us.
7. If you elect to use us and/or our designated supplier for bookkeeping and reporting services, you must pay us the monthly Bookkeeping Fee by electronic debit and provide us with daily, weekly and monthly reports of financial data, which we or our designated supplier will use to produce periodic profit and loss statements and provide payroll service for up to one employee. If you have more than one employee, you may choose to hire us or our designated supplier to provide payroll services for those additional employees at an additional fee competitive to other payroll service companies. If we provide these services directly, we may subcontract some or all of the work. We may also designate an approved supplier of these services to whom you would pay these fees directly. You may also need to hire your own accountant to handle some aspects of your financial data including preparing and filing personal income tax returns, because we prepare only the income tax returns for your Dental Fix Business.



## ITEM 7. ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURES	AMOUNT LOW-HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Initial Franchise Fee (see note 1)	\$25,000	Lump sum	On signing Franchise Agreement	Us
Initial Training Fee (See note 5)	\$0 - \$15,000	Lump sum	A minimum of thirty (30) days prior to training and no later than ninety (90) days after signing the Franchise Agreement	Us
Mobile Service Center Vehicle (See note 2)	\$3,000 - \$45,000	As invoiced	Before beginning operations	Third Parties (Auto Dealer)
Initial Inventory, Computer and Mobile Service Center Build-Out (See note 3)	\$20,000 - \$30,000	As invoiced	Before beginning operations	Us
Insurance (see note 4)	\$1,000 - \$7,500	As invoiced	Before initial training	Third-party suppliers
Training Expenses (See note 5)	\$500 - \$6,000	As arranged	As incurred	Third Parties
Licenses and Permits (see note 6)	\$100 - \$1,500	As arranged	Before beginning operations	Third Parties
Legal and Accounting (see note 7)	\$500 - \$3,000	As invoiced	As incurred	Third Parties
Additional Funds (see note 8)	\$10,000 - \$25,000	As arranged	As incurred	To Us, to third party suppliers, and to employees if any.
<b>TOTAL</b> (see note 9)	\$60,100 - \$158,000			

#### **Notes:**

1. Initial Franchise Fee. The initial franchise fee is discussed in detail in Item 5 above. It is not refundable, unless you sign and meet the requirements and conditions set forth in our Customer Guarantee Addendum to the Franchise Agreement. Certain franchisees in smaller territories, which we will determine in our discretion, may not be eligible for the refund and our Customer Guarantee Addendum.
2. Mobile Service Center Vehicle. You must acquire a vehicle which meets our specifications which will be used as your Mobile Service Center. This price is subject to market conditions. You may be

able to finance the entire purchase of the vehicle or lease the vehicle, so your initial cash outlay for this item may vary. If you lease the vehicle with excellent credit, you may be able to obtain a lease with little or no money down. As described in Item 12, you must have a sufficient number of Mobile Service Centers to serve the needs of the Clinics in your Territory, which number may vary from Territory to Territory, but is reasonably likely to require one (1) Mobile Service Center for every fifty to one hundred (50-100) Practitioners to be served by you. If Dental Fix Business has an average gross revenue of \$10,000 per month for 3 consecutive months, then we may require you to purchase an additional Mobile Service Center vehicle.

3. Initial Inventory and Mobile Service Center Build-Out. You must purchase an initial supply of repair parts, equipment and tools to service the Clinics in your Territory and you must have your Mobile Service Center vehicle built out by us. These estimates include the cost of this initial inventory and the cost of our services to build out your Mobile Service Center vehicle. The initial and ongoing cost of these items will vary based upon the specific market conditions in your Territory. The remainder of the expenditures consist of the shelving and custom equipment package installed in the Mobile Service Center, the vehicle wrap or car magnet, the tools that you will use in your business, the GPS System we require you to install, and any other optional items you may choose to include. These amounts are subject to changing market conditions and any additional items purchased by you or ordered by the Clinics in your Territory. We may use subcontractors to complete the build-out of your Mobile Service Center vehicle, and we or our subcontractors will deliver the Mobile Service Center vehicle to you at our training facility upon your scheduled training.
4. Insurance. Requirements are described in greater detail in Item 8. Factors that may affect your cost of insurance include the size of your inventory, whether you have employees covered by workers' compensation and the limits of coverage and size of deductibles. This is an estimate of your insurance expense for one year.
5. Training. The cost for 1 trainee to attend the initial training program is included in the Initial Franchise Fee. The fee for additional trainees to attend our initial training program is \$15,000 per trainee. In addition, you must provide transportation, meals and lodging, and employees' salaries, if any, while attending training. The total cost will vary depending on the number of people attending, how far you travel and the type of accommodations you choose. These figures do not include the cost of repeated initial training or initial training for more than two individuals.
6. Licenses & Permits. These amounts will be incurred for costs such as registering your Mobile Service Center vehicle and for local and state business and operating licenses and permits where applicable. Your actual costs may vary from the estimates based on the requirements of local government agencies.
7. Legal & Accounting. You may need to employ an attorney, an accountant (except for such accounting services as we provide) and other consultants to assist you in establishing your Dental Fix Business. These fees may vary from location to location depending upon the prevailing rates of professionals you select.
8. Additional Funds. The start-up phase of your Dental Fix Business is calculated by us to be a period of one year. The basis to determine the amount of additional funds which may be required to cover your expenses during this start-up phase will depend on the extent that such ongoing expenses are not covered by your sales revenue during this time. In determining the amount of additional funds that may be required, we relied on our experience in the dental service and supply industry. These amounts stated are the minimum recommended levels to cover operating expenses, excluding your and employees' salaries, if any, as these are discretionary for you, for the start-up phase of your Dental Fix

Business, which we calculate as one year. You will need to support ongoing expenses if these costs are not covered by sales revenue. New businesses often generate negative cash flow. We estimate that the amount stated will be sufficient to cover ongoing expenses, excluding salary. However, we cannot guarantee that this amount will be sufficient. Your actual expenses may vary depending on a variety of factors we cannot predict such as the market in your Territory. Additional working capital may be required if sales are low or fixed costs are high.

9. Total. This total is an estimate of your initial investment and the expenses you will incur during the initial part of your operations. The amounts shown are estimates only and may vary for many reasons including the size of your Dental Fix Business, your capabilities, and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise.

## **ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

### **Required Purchases**

To help assure a uniform image and uniform quality of products and services in our franchise system, you must purchase certain equipment, tools, parts, products, supplies and/or services from us, our designees or approved suppliers, or by brand name or specification, as set forth in our Operations Manual or in written notices from us. We require you to purchase, among other things, signage, vehicle wraps or car magnets, supplies, dental products, our proprietary software, a computer, a GPS System, vehicles to serve as your Mobile Service Center, shelving, equipment, repair tools, uniforms, software, bookkeeping and reporting services, regular accounting services (financial statements, sales and payroll services), vehicle uplift/build-out services, marketing materials, inventory products, and other items or services relating to the establishment or operation of the Dental Fix Business.

### **Required and Approved Suppliers**

You must purchase all of these required products and services exclusively from us or a supplier designated by us, and you must purchase from us or our designated suppliers any other products or services we may identify in the future. You may not obtain any substitute from any other source or supplier. We may in the future develop proprietary products (products specifically designed for use in the operation of a Dental Fix Business). We may make any changes to the required products or services that we wish and there are no limits on our right to do so. As of the issuance date of this disclosure document, we are your only approved supplier of all of your required equipment, tools, our proprietary software, computer system, décor, uniforms, shelving, marketing materials, vehicle uplift/build-out services, special repair services, certain on-site technical repair services, and small equipment repair services. For your benefit in receiving proper credit and product quality, we may require you to purchase most items through our centralized ordering system. We derive revenue and earn a profit from the sale of equipment, tools, parts, services and other items to you. In many instances, the cost of equipment, tools, parts, services and other items we require you to purchase from us will be higher than the cost of other similar products, services and items on the market.

Currently, we designate a supplier of bookkeeping, reporting, limited accounting and payroll services if you choose us and/or our designated supplier to provide bookkeeping and reporting services for your Dental Fix Business, but the fees for these services are paid to us. We also designate a supplier of marketing materials, which must be purchased through our website.

We also require you to purchase the vehicle that will serve as your Mobile Service Center in accordance with our then-current specifications, and require you to purchase and maintain commercial general liability insurance, commercial auto insurance and property insurance policies for your Dental Fix

Business in the amounts we require, as set forth in the Franchise Agreement or as stated in the Manual. We may increase the minimum coverage requirements as necessary to reflect inflation or other changes in circumstances. Currently, we require the following insurance policies, which must name us as an additional insured:

Commercial general liability policy must include the following minimum limits:

- Each Occurrence: \$1,000,000
- Damage to Rented Premises: \$100,000
- Medical Expenses (any one person): \$5,000
- Personal and Advertising injury: \$1,000,000
- General Aggregate: \$2,000,000
- Products – Completed Operations Aggregate: \$1,000,000

Commercial automobile insurance with at least \$1,000,000 combined single limits.

Property insurance with fire and lightening, extended coverage, theft, vandalism and malicious mischief, inland marine insurance, and flood insurance (if your Dental Fix Business is in a designated flood hazard area) on the Mobile Service Center vehicle(s) and all fixtures, equipment, supplies, and other property used in the operation of the Dental Fix Business, for not less than 100% of the replacement value of same.

If you have employees and if required by applicable law, you must maintain policies of workers' compensation insurance affording statutory coverage, employer's liability coverage subject to a limit of no less than \$1,000,000 each employee, \$1,000,000 each accident and \$1,000,000 policy limit, unemployment insurance, and/or disability insurance in such amounts as prescribed by law in your Territory, and any other types of insurance required by applicable law.

If you add Mobile Service Center vehicle(s) to your Territory, you must purchase an umbrella policy with total coverage of at least One Million Dollars (\$1,000,000) per vehicle, which provides excess auto and general liability coverage.

We expressly reserve the right to revise the equipment, tools, parts, products, supplies and/or services we require you to purchase, our required or approved suppliers, and our specifications, as set forth in the Operations Manual or in written notices from us.

For any equipment, supplies, inventory, advertising materials, and any other products and services you are not required to purchase from us or our designated suppliers, you must purchase or lease these items or services only from manufacturers and suppliers we approve in writing, or in some instances, in accordance with our specifications from a vendor or supplier of your choice. We may revoke these approvals at any time.

We or one of our affiliates may establish Dental Fix or affiliate-owned and operated distribution facilities which we may designate as an approved distributor or supplier.

None of our officers own an interest in any of our current required third party suppliers, but no restriction prohibits such interests. We reserve the right to require you in the future to purchase supplies, either directly or through us or an affiliate, from companies that our officers and/or directors/board members own an interest in, including, but not limited to, Darby Dental Supply, LLC ("Darby Dental"), which some of our officers and directors/board members own an interest in.

Darby Dental is an approved supplier from which our franchisees may, but are not required to, purchase inventory, supplies and products for their Dental Fix Business. We reserve the right to require our franchisees to purchase inventory, supplies and products from Darby Dental in the future. Eligible franchisees may also participate in a referral program pursuant to which they may earn commissions by referring Dental Fix customers to Darby for dental supplies and equipment. This referral program is currently optional, but we reserve the right to require our franchisees' participation in the program in the future.

### **Approval of New Suppliers**

If you desire to purchase equipment, products, services, supplies or materials from vendors other than those previously approved, you first must submit a written request to change the supplier. We will notify you, in writing, of approval or disapproval of your request to use an unapproved supplier generally not more than 60 days after receiving your written submission, taking into account any inspection, testing, and review of samples and documents presented by the supplier. However, if you do not receive our approval in writing within sixty (60) days of our receipt of your written request, your request is deemed rejected. We may withhold approval of the vendor for any reason. In order to make a decision, we may require that samples of a proposed new product first be delivered for testing. Permission for inspection will be a condition of the continued approval of any vendor. You will pay a charge not to exceed the actual cost of the test. We and our affiliate reserve the right to periodically inspect the facilities and products of any approved vendor and to revoke approval upon the vendor's failure to meet any of the then current Dental Fix criteria. If an exclusive vendor already has been designated for the equipment, products, services, supplies or materials proposed to be offered by a new vendor, your request for a new vendor will likely be rejected without further review or investigation. When considering whether to approve suppliers for our franchise system, we may consider any other relevant factors, including factors relating to the price and quality of the products or services, the reliability of the supplier, the frequency of delivery, standards of service (including prompt attention to complaints), and concentration of purchases. Such approval, which we may grant or withhold in our sole and absolute discretion, may be provisional, pending our further evaluation of the supplier. As a condition of our approval, which we may grant or withhold in our sole and absolute discretion, we may require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered to us. Because we must devote our resources where we deem appropriate we are not required to consider additional or replacement suppliers. We will use our sole and absolute discretion in doing so. If we do so, you must pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the testing. We may reinspect any approved supplier's facilities and products and continue to sample the products at the supplier's expense and to revoke approval upon the supplier's failure to continue to meet our standards and specifications. We may also require as a condition to our approval that the supplier present satisfactory evidence of insurance, such as product-liability insurance, protecting us and our franchisees against any claims arising from the use of the supplied item.

### **Revenues or Other Material Consideration Derived from Required Purchases and Leases.**

In the year ending December 31, 2016, we received \$5,808,347 in revenues from the sale of equipment, tools, parts, products, supplies and/or services that franchisees are required to purchase or lease from us, or approximately 58% of our total revenues of \$9,920,861.

We and/or our affiliates will also derive revenue from purchases or leases that you must make from designated or approved suppliers, or from manufacturers or suppliers that we purchase items from and require you to purchase from us. In the year ending December 31, 2016, we received \$25,547, or approximately 0.3% of our total revenues, from three of our parts suppliers and our designated supplier of marketing materials. These suppliers pay us rebates ranging from less than 1% to 30% based on our or our franchisee purchases. These rebates, however, are subject to change at any time. We reserve the right to

negotiate and receive additional financial incentives, rebates, or other benefits from our manufactures, suppliers, and other third parties, or from suppliers we designate or approve, based on purchases or leases by our franchisees. We will retain for ourselves and for our benefit alone, all fees and payments received.

We estimate that approximately 80% - 90% of your expenditures for leases and purchases in establishing your Dental Fix Business, and approximately 70% - 100% of your total expenditures on an ongoing basis, will be for goods and services that must be purchased from us, our designated suppliers or in accordance with our specifications.

### **Purchasing or Distribution Cooperatives; Purchase Arrangements**

There currently are no purchasing or distribution cooperatives. Although we are not obligated to, we may negotiate purchase agreements with suppliers (including price terms), for the benefit of the franchise system.

### **Material Benefits for Use of Approved Sources**

We do not provide material benefits to you (for example, renewal or granting additional franchises) based upon your purchase of a particular product or services or use of designated or approved sources.

## **ITEM 9. FRANCHISEE'S OBLIGATIONS**

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

<b>FRANCHISEE'S OBLIGATIONS</b>		
<b>OBLIGATION</b>	<b>SECTIONS IN FRANCHISE AGREEMENT (FA)</b>	<b>DISCLOSURE DOCUMENT ITEM</b>
a. Premises and Mobile Service Center	<b>FA:</b> Sections 1.10, 7.2.2, and Attachment 1	Items 7, 11, and 12
b. Pre-opening purchases/leases	<b>FA:</b> Sections 5.5, 5.9, 7.2.2 and Attachment 5	Items 7, 8 and 11
c. Site development and other preopening requirements	<b>FA:</b> Sections 7.2.2 and 7.2.3	Items 7, 8 and 11
d. Initial and ongoing training	<b>FA:</b> Section 5.1	Items 7 and 11
e. Opening	<b>FA:</b> Sections 7.2.3	Item 11
f. Fees	<b>FA:</b> Sections 3.1.2, 3.1.3, 5.1, 5.5, 5.8, 5.10, 6.1-6.13, 7.2.2, 7.5.2, 10.1, and Attachments 2 and 5.	Items 5, 6, 7, and 11
g. Compliance with standards and policies/operating manuals	<b>FA:</b> Sections 2.1, 5.3, 7.2.2, 7.2.4	Items 8, 11 and 16
h. Trademarks and proprietary information	<b>FA:</b> Sections 7.1, 8.1 and 8.4 Attachment 3	Items 13 and 14
i. Restrictions on products/services offered	<b>FA:</b> Sections 5.9	Item 8 and 16
j. Warranty and customer service requirements	<b>FA:</b> Section 7.2.5, 7.2.8 and 7.2.10	None

<b>FRANCHISEE'S OBLIGATIONS</b>		
<b>OBLIGATION</b>	<b>SECTIONS IN FRANCHISE AGREEMENT (FA)</b>	<b>DISCLOSURE DOCUMENT ITEM</b>
k. Territorial development and sales quotas	FA: not applicable	Not applicable
l. Ongoing product/service purchases	FA: Sections 5.7, 5.9, 7.2.7, and 7.5.2	Items 8 and 16
m. Maintenance, appearance and remodeling	FA: Sections 4.2 and 7.2.9	Items 6, 11 and 17
n. Insurance	FA: Section 7.6	Items 7 and 8
o. Advertising	FA: Sections 5.4, 6.2, and 7.1.4	Items 6, 7, and 11
p. Indemnification	FA: Section 8.5	Item 6
q. Owner's participation/management/staffing	FA: Sections 5.1 and 7.4	Item 15
r. Records/reports	FA: Sections 5.6, 7.5 and 10.4(f)	Item 6
s. Inspections/audits	FA: Section 7.2.11	Items 6 and 11
t. Transfer	FA: Article 9, and Attachment 3	Items 6 and 17
u. Renewal	FA: Section 4.2	Items 6 and 17
v. Post-termination obligations	FA: Articles 8, 10, and Attachments 3 and 6	Item 17
w. Non-competition covenants	FA: Sections 8.6 – 8.7 and Attachment 3	Item 17
x. Dispute resolution	FA: Article 11	Item 17

## **ITEM 10. FINANCING**

We do not offer financing. We do not guarantee your notes, leases or other obligations.

While not a required or designated vendor, Mercedes Benz Financial may offer financing for your purchase of the Mobile Service Center vehicle and the cost of the vehicle buildout/uplift and computer/equipment package. If you qualify, Mercedes Benz Financial currently provides Dental Fix franchisees with a \$4,500 fleet discount, which is applied to the total cost of your purchase. This discount is subject to change or may be discontinued by Mercedes Benz Financial. The terms of any such financing provided to you by Mercedes Benz Financial is between you and Mercedes Benz Financial. Neither we nor an affiliate receive a benefit from Mercedes Benz Financial if it finances your purchase.

Our affiliate, JDS Franchise Financing, LLC ("JDS"), may, in its sole discretion, provide a bridge loan to certain qualified franchisees who will be using 401(k) or bank loaned funds for all or a portion of the franchisee's initial start-up costs. If you qualify, and in JDS's discretion, the period of repayment will be between six (6) months and sixty (60) months. You will be required to make monthly payments of principal and interest at an interest rate between 10% and 14% per annum, based on your credit and as determined by JDS. The amount of the bridge loan will not exceed fifteen thousand dollars (\$15,000), and may only be used to finance start-up costs, including, but not limited to, the Initial Franchise Fee and Initial Training Fee. There is no down payment required and there is no pre-payment penalty. The form of the Promissory Note for the bridge loan is attached to this disclosure document as Exhibit H.

The principal owner(s) of the franchisee, if an entity, will be required to personally guarantee the payment and performance of the Promissory Note.

If you fail to make any payments of principal or interest on the Promissory Note when due and payable as provided in the Promissory Note, such failure will constitute a default under the Promissory Note and the Franchise Agreement. In addition, if you materially breach the Franchise Agreement or if the Franchise Agreement is terminated for any reason, such event will constitute a default under the Promissory Note. Upon the occurrence of a default under the Promissory Note, JDS may, in its sole discretion, declare the entire unpaid principal balance of the Promissory Note, together with accrued interest thereon, immediately due and payable. JDS may also seek recovery of all costs incurred by it in enforcing the Promissory Note and in collecting the amounts due under the Promissory Note, including, but not limited to, JDS's attorney's fees and costs. In addition, under the Franchise Agreement, we may terminate the Franchise Agreement upon notice without opportunity to cure if you fail to pay JDS the full amount past due under the Promissory Note within five (5) days after we deliver written notice to you of the failure to pay.

The Promissory Note is governed by and construed in accordance with the laws of the State of Florida and all legal proceedings arising out of Promissory Note must be brought in the County of Broward, Florida.

The Promissory Note requires you to waive present, protest, notice of protest, notice of dishonor and any and all other notices or demands in connection with the Promissory Note. In addition, you will waive your right to a trial by jury in any action or proceeding relating to the Promissory Note.

JDS does not assign, sell or discount to a third party any part of the financing arrangement. Neither we nor any other affiliate receives any consideration for placing financing with JDS.

#### **ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

**Except as listed below, we are not required to provide you with any assistance.**

##### **Pre-Opening Obligations**

Before you open a Dental Fix Business, we will:

- a. Define your Territory which will be a geographical area defined by zip codes or identified by a map (Franchise Agreement Section 3.1).
- b. Loan you a copy of our Operations Manual or make it electronically available to you (Franchise Agreement Section 5.3).
- c. Conduct an initial training program for you or other individuals at our training facility or at a location we designate (Franchise Agreement Section 5.1).
- d. Sell you certain required equipment, tools, products, supplies, services or materials we require you to purchase from us, or provide you with specifications or a list of our designated vendors for such equipment, tools, products, supplies or services. This will include specifications for your Mobile Service Center vehicle and the custom equipment package required to be installed in it, your opening inventory, tools and supplies. You may purchase these items for cash or finance them



through loans or leases from third party financiers. If you finance items we must approve the terms of the loan in advance. (Franchise Agreement Section 5.9).

- e. Have your Mobile Service Center vehicle uplifted/built out (through us or our subcontractor) in accordance with our specifications, which services are required to be performed by us (or our subcontractor). (Franchise Agreement Section 5.9).
- f. License you to use either our designated proprietary software or our approved supplier's proprietary software for use in your Dental Fix Business and provide you with a copy thereof. (Franchise Agreement Section 5.5).
- g. Given the mobile nature of a Dental Fix Business, we do not approve the site selected by the franchisee.

### **Typical Length of Time Before Operation**

You must commence the operation of your Dental Fix Business within 240 days from the date of the Franchise Agreement and no later than 7 days after the receipt of our written approval to commence operation. You may not begin to operate your Dental Fix Business until we consent in writing. We estimate that the typical length of time between signing the Franchise Agreement and the commencement of operations is approximately 90 days. Factors affecting time include, but are not limited to, the build-out schedule for your Mobile Service Center vehicle, the delivery schedule for the vehicle, equipment and supplies, delays in securing financing arrangements, completing training and your compliance with local laws and regulations.

### **Continuing Obligations**

During the operation of your Dental Fix Business, we will:

- a. Provide consultation by telephone or other electronic communication regarding the operation of your Dental Fix Business as we deem, from time to time, appropriate in our discretion. (Franchise Agreement Section 5.2).
- b. Schedule your service appointments through our Operations Support Center at our sole and absolute discretion. (Franchise Agreement Section 5.6).
- c. Provide training at dates and time we determine for your new employees who will be providing repair services. (Franchise Agreement Section 5.1).
- d. If equipment repairs cannot be done by you on-site and the equipment can be repaired by our Small Equipment Repair Center, we will provide small equipment repair services. (Franchise Agreement Section 5.7.1 and 7.2.7).
- e. If you request, we or our designee may provide on-site technical support and repair services for your Dental Fix Business customers with qualified technicians as scheduled by us. (Franchise Agreement Section 5.7.2)
- f. Designate specific equipment, tools, products and services that you must purchase from us, an affiliate or designee in connection with your Dental Fix Business, sell you the items you must purchase from us, and provide you with lists of approved suppliers if we do not require you to purchase these items from us. (Franchise Agreement Section 5.9).

- g. Review copies of any promotional and advertising materials that you propose to use and send to us at least fourteen (14) days before the proof approval deadline. We will review the materials and will notify you whether we approve or reject them. We may withhold our approval for any reason in our discretion. If we do not notify you of our approval or rejection before the proof approval deadline, the materials are disapproved. (Franchise Agreement Section 7.1.4).
- h. If elected by you, provide you, or our approved supplier will provide you, with bookkeeping and reporting services, as well as payroll services for up to one employee. (Franchise Agreement Section 7.5.2).

## **Advertising and Marketing**

### Our Marketing

We may in our discretion, but are not required to, conduct marketing activities on your behalf, including making marketing calls in your Territory, create and execute advertising campaigns, develop new products, create advertising and marketing materials and other activities associated with building the Dental Fix brand and improving the System. We will determine the amount, timing, schedule and content of all marketing and advertising activities and programs, if any, in our discretion. (Franchise Agreement Section 5.4) We may use any media including print, telemarketing, direct mail, electronic media, the internet, and any other media at our discretion. We may use local, regional or national media. We may create advertising materials and programs in-house or use providers and suppliers at our discretion. We do not have an obligation to spend any particular amount on advertising in your Territory.

### Local or Regional Advertising Cooperative

We do not currently require franchisees to join local or regional advertising cooperatives, but we can require you to participate in a cooperative if we deem necessary in the future. (Franchise Agreement Section 6.2.4)

### Your Marketing Contributions

You must pay us a weekly Marketing Contribution Fee equal to either \$40 or \$65 per week depending on the number of Clinics in your Territory, and for each Additional Territory Area you purchase, your Marketing Contribution Fee will increase by \$10. This Marketing Contribution Fee may be increased annually up to a maximum increase of 6%. (Franchise Agreement Section 6.2.1). Currently, only our franchisees make marketing contributions. Depending on when franchisees signed their franchise agreements and depending on the number of clinics in their territories, our franchisees' marketing contributions are different amounts. Neither we nor our affiliates currently operate a Dental Fix Business. If and when we or our affiliates do, we may, but are not required to make any marketing contributions.

We will administer in our sole discretion the collection and expenditure of our franchisees' marketing contributions. They become our property when they are paid to us. We may use the marketing contributions to pay for market research, advertising materials, electronic media, websites, marketing agencies, media space, and time for a national or regional marketing program, a referral program, public relations activities, marketing grants to franchisees, collectively or individually, point-of-purchase materials, new product development and other similar projects, expenses of marketing and for marketing personnel and administering marketing programs or activities that we determine in our sole discretion to be in the best interests of the Dental Fix System. We do not have any fiduciary obligation for administering the marketing contributions. We may spend in any fiscal year more or less than the total marketing

contributions made in that year, borrow money from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Any unused marketing contributions will rollover to the next calendar year. We have no obligation to make expenditures for advertising or promotions for the benefit of you which is in anyway equivalent or proportionate to your contributions, or to ensure that any particular franchisee benefits directly or on a pro rata basis from the placement of advertising, or to insure that any advertising impacts or penetrates your Territory at any level. Upon thirty (30) days prior written notice to you, we may suspend for any period of time or terminate (and, if terminated, reinstate) our administering of the marketing contributions. We will not terminate our administration of the marketing contributions, however, until we have expended all marketing contributions received for advertising and promotional purposes. (Franchise Agreement Section 6.2.2)

We have no obligation to prepare or distribute audited or unaudited financial statements of the marketing contributions we receive. Upon your reasonable request, we may provide an unaudited report once each year of the amount of money collected from franchisees in marketing contributions and spent by us on marketing activities during the prior year. (Franchise Agreement Section 6.2.2) The marketing contributions we receive are not audited.

We will not use the marketing contributions to advertise the sale of franchises except that we may include references to franchise availability in our advertising materials. (Franchise Agreement Section 6.2.2) None of the marketing contributions were used principally to solicit new franchise sales.

In the fiscal year ended December 31, 2016, 59% of the marketing contributions were used for media placement, including flyers, mailers, and other print advertisements and postage for such marketing materials; 5% of the marketing contributions were used for production; 12% of the marketing contributions were used for other marketing materials and expos/shows; and 24% of the marketing contributions were used for administrative expenses.

#### Advertising and Marketing by You

You may use your own marketing and advertising materials, but they must be truthful, conform to the highest standard of ethical advertising and comply with any applicable laws and regulations. You must submit to us copies of all promotional and advertising materials that you propose to use at least fourteen (14) days before the proof approval deadline. We will review the materials and will notify you whether we approve or reject them. We may withhold our approval for any reason in our discretion. If we do not notify you of approval or rejection before the proof approval deadline, the materials are disapproved. Even if we approve specified materials, we may later withdraw our approval if we reasonably believe it is necessary to make the advertising conform to changes in the System or to correct unacceptable features of the advertising. If we prepare marketing materials, you must purchase such materials from us or our designee. (Franchise Agreement Section 7.1.4)

#### Advertising Council

During 2016, we formed an advertising council composed of Dental Fix franchisees. The advertising council serves in an advisory capacity only. Members of the advertising council will prepare governing documents subject to the terms of the Franchise Agreement, the Manual and our prior consent. We will choose the members of the advertising council in our sole discretion from our Dental Fix franchisees. In order to be eligible for selection into the advertising council, you must be in good standing and must be actively involved in the betterment of the Dental Fix franchise network and system. If we appoint you to the advertising council, you agree to join, participate in, and actively support the advertising council. We have the sole right and authority, in our discretion, to form, dissolve, change and/or merge the advertising council. We will determine the number of members of the advertising council in our sole

discretion and provide you with a copy of the advertising council's governing documents upon your written request.

### **Computer System**

You must purchase from us as part of your required computer system and equipment package, a printer and a notebook, tablet, or laptop computer that meets our specifications, is capable of running our proprietary software, and is equipped with Microsoft Word, Excel and Outlook. You must also license our proprietary software from us or an approved supplier. (Franchise Agreement Section 5.5) We estimate that the cost of purchasing such a computer system is approximately \$1,200.00, which you must purchase from us as part of your required computer system and equipment package. That price may vary depending on features you select and market conditions. If you already have a notebook, tablet, or laptop computer you may be able to use it. We and our affiliates will not provide ongoing maintenance, repairs or upgrades of your computer hardware, but we or an approved supplier will provide updates and maintenance regarding our proprietary software. The estimated annual cost of any optional or required maintenance, updating, upgrading, or support contracts for the computer system is \$100 - \$500, which does not include the monthly software license fee we charge for use of our proprietary software, which is set forth in Item 6. You may be required to upgrade or replace your computer, the proprietary software or purchase additional software from time to time at your expense to comply with our requirements. (Franchise Agreement Section 5.5, Section 6.5, and Attachment 5 to the Franchise Agreement.) There are no contractual limitations on the frequency or cost of your obligations to upgrade or replace the computer or required software.

We will have independent access to information that will be generated and stored on your computer and on our own computers concerning your individual Dental Fix Business, including, customer, sales, inventory and scheduling information. There are no contractual limitations on our right to access this information and data. All the information that you enter into our systems will be accessible by us and may be furnished to our approved or designated suppliers of bookkeeping, accounting and reporting services and of other goods or services. Further, information that you share with such suppliers may also be shared with us.

### **Confidential Operations Manual**

The table of contents from our confidential operations manual is appended to this Disclosure Document as Exhibit D. Currently, the total number of pages in our confidential operations manual is 142.

### **Initial Training Program**

Our initial training program is conducted approximately once every four (4) weeks to eight (8) weeks. You, your principal owner (if you are a corporate entity) or your Designated Manager, if applicable, or any other employees you employ to provide technical services for your Dental Fix Business or to operate your Mobile Service Centers, must attend and complete the initial training program to our satisfaction before beginning operations of the Dental Fix Business. The initial training program consists of approximately nine (9) weeks of at home pre-study, webinars, classroom instruction, and field training. It is structured to provide practical training in the operation of the Dental Fix Business, including equipment repair and service techniques, the use of certain consumable products, marketing and sales methods, inventory control, equipment maintenance, financial controls and reporting and record keeping and other topics. We will conduct the initial training program at our headquarters in Davie, Florida, or another location that we designate. You or your Designated Principal must faithfully attend all phases of the initial training program and complete it to our satisfaction, as certified by us in writing. Failure to successfully complete any aspect of that training program, as we determine in our sole discretion, constitutes grounds for immediate termination of your Franchise Agreement upon notice without providing you with any

opportunity to cure.

TRAINING PROGRAM				
SUBJECT	HOURS OF CLASSROOM TRAINING		HOURS OF ON THE JOB TRAINING	LOCATION
Welcome, General Business Basics, Codes of Conduct, Safety, Introduction to the Dental Industry, Infectious Control, Radiology, Dental Handpieces, and CRM and Invoicing Software	45		0	Virtual Classroom
Software Training for tracking leads, scheduling appointments and invoicing (manual processes initially)	12		0	Davie, Florida
Working with Corporate Support Manager on marketing, sales techniques and strategies.	8		0	Davie, Florida
Working with bookkeeping to understand accounting processes & procedures	2		0	Davie, Florida
Technical Training on Servicing Dental Equipment, including basics, compressor and vacuum repairs, chair, dental unit and accessory repairs, Handpiece repairs, autoclave repairs, x-ray developer/processor/viewer repairs and more.	135		0	Davie, Florida
Ride in MSC for on-the-job training	0		50	Various Regional Training Markets

### Training Fees

Initial training and training materials for one individual is included in your Initial Franchise Fee (Franchise Agreement Section 5.1.1). Trainees who do not successfully complete the initial training program to our satisfaction may re-enroll for a re-training fee of \$5,000. We will train additional employees for \$15,000 per employee. No one may operate a Mobile Service Center who has not completed our initial training. Training fees are payable a minimum of thirty (30) days prior to training. Training fees are non-refundable. You must pay for all of your and your trainee's travel, meal, lodging and living expenses. In the event you cancel or reschedule the initial training for you, your employees or Designated Principals, you must provide us with written notice at least sixty (60) days in advance of the scheduled initial training commencement date. If you fail to do so, you must pay us a \$1,000 cancellation fee upon our demand.

As part of the training you will receive Instructional Materials, including the Training and Operations Manual, and a Welcome Kit with information about commencing your franchise. You will schedule your training with us. Generally, training will be provided by Mr. Matthew J. Lau, our Senior Director of Training. Mr. Lau joined us in November, 2012. He was a Biomedical Equipment Engineer for 22 years and served in a variety of roles including teaching at the Department of Defense's Biomedical Equipment School. Field training may be provided by one of our franchisees or regional managers we select in our discretion.

#### On-Site Grand Opening Launch Training

We may, in our sole discretion, provide you with up to five (5) days of on-site training and assistance immediately before and/or after the commencement of operations of your Dental Fix Business. The duration and timing of such on-site training and assistance will be determined by us in our sole judgment. There will be no fee charged for this on-site grand opening launch training, if we decide to provide it, but you must pay us for our travel, lodging and meal expenses.

#### Additional Training

You and your employees may be required to take additional training each year, as we deem appropriate. Additional training that is mandatory for franchisees will be provided without charge, but you will be responsible for your travel, meals, lodging and living expenses.

We may also require you to attend training provided by third party manufacturers and other suppliers at your expense.

We may implement additional levels of training that may be required in order to qualify you or your employees to repair more or other types of equipment. If for any reason you do not receive the additional levels of training and you, therefore, cannot offer the higher level of service, you will be required to send us or our designee the equipment for repair at your cost.

We may also conduct optional training classes and charge a fee for such classes which you may attend at your expense.

#### Annual Meetings

In our discretion, we may hold an annual franchisee meeting/convention once each year to provide updates, offer continuing education, and encourage discussion of topics of importance to our franchisees. You or your Designated Principal must attend the national convention at your expense. We may charge a fee for these events, which will not exceed One Thousand Dollars (\$1,000) per person. You will also be responsible for your travel, meals, living and lodging expenses.

In addition, you or your Designated Principal must attend at least seventy-five percent (75%) of the meetings, if any, called by our staff in your region each year. Should we choose to implement a teleconference program, we may allow you to attend the meetings referred to in this section by teleconference.

### **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 own. In designating your Territory, we take into consideration the density and demographics of the area and the

number of Dental Fix Businesses you agree to develop.

Your Territory consists of the zip codes listed in Attachment 1 of the Franchise Agreement. A Dental Fix Territory will typically include between fifty and three hundred fifty (50 - 350) Clinics. The number of Clinics may differ for your Territory compared to other franchisees. You must have a sufficient number of Mobile Service Centers to serve the needs of the Clinics in your Territory, which number may vary from Territory to Territory, but is reasonably likely to require one (1) Mobile Service Center for every fifty to one hundred (50-100) Practitioners to be served by you. Annually, we will assess factors we consider relevant, which may include Mobile Service Center capacity, your services provided, the market size, revenues, and other factors to determine if your market requires you to increase your number of Mobile Service Centers or make other changes in your Dental Fix Business. If we determine your market requires you to increase the number of Mobile Service Centers for your Territory, you agree to purchase an additional Mobile Service Center(s). If you desire to increase the number of Mobile Service Centers for your Territory, you must obtain our prior written consent before purchasing an additional Mobile Service Center for your Dental Fix Business. If your Dental Fix Business has an average gross revenue of \$10,000 per month for 3 consecutive months, then we may, in our discretion, require you to purchase an additional Mobile Service Center.

You may conduct your Dental Fix Business only within the defined Territory specified in Attachment 1 to the Franchise Agreement. You may not, without our advance written consent, solicit customers or service customers outside of your Territory, including via other channels of distribution such as the Internet, catalog sales, telemarketing, or other direct marketing. We may give or withhold such consent in our discretion, based on factors, which may include, without limitation, existing coverage in the Territory, fulfillment of your obligations under the Franchise Agreement, finances, and market opportunities we perceive. Even if we permit you to serve Practitioners outside your Territory, you may not advertise outside your Territory without our written consent, which we may give or withhold at our discretion. We may order you to cease marketing or advertising outside your Territory at any time after granting the right, in our discretion. That discretion may be exercised, for example, when we grant a franchise to another party whose Territory includes extraterritorial Practitioners you have previously served.

During the term of the Franchise Agreement, provided that you are in compliance with the Franchise Agreement and any other agreements with us and subject to our rights set forth in Section 3.2 and Section 7.2.3 of the Franchise Agreement (and as set forth below), we will not operate ourselves nor grant anyone else a franchise to locate or operate a Dental Fix Business in your Territory.

You must commence the operation of your Dental Fix Business within 240 days from the date of the Franchise Agreement and no later than 7 days after the receipt of our written approval to commence operation. In the event you fail to commence operation of your Dental Fix Business within this time, we shall have the unconditional right, upon notice ("Notice") to you, to immediately terminate any and all of your rights granted under the Franchise Agreement to your original Territory; in which case, all such rights shall revert to us. In the event we exercise such right, you agree that you shall no longer have any right to operate your Dental Fix Business in your original Territory, have no other rights or obligations in or to the Territory, and that we shall have the absolute right to sell a Dental Fix Business franchise(s) for the Territory, all as of the date of delivery of the Notice. You will have 180 days from the delivery of the Notice to select another then available territory in any State in which we may then grant franchises, and you will have 90 days from the date we provide our written consent of the new territory to commence operation of your Dental Fix Business. We must first consent in writing to the proposed new territory, and, if we consent, upon such consent you must sign an amended Attachment 1 and/or such other documents as may be necessary to identify and confirm our consent to the new territory. If you fail to select another territory we consent to within 180 days from the date of delivery of the Notice, or fail to commence operation of your Dental Fix Business within 90 days from the date we provide our written consent of the

new territory, we shall have the right to terminate the Franchise Agreement upon notice without providing you with any opportunity to cure.

You may, only if we approve, in our sole discretion, expand your Territory by purchasing additional, available territory areas that are adjacent to your Territory (“Additional Territory Area(s)”). Each Additional Territory Area will contain approximately 50 Clinics, although the actual number of Clinics in such Additional Territory Area may be less. If we approve your request to purchase an Additional Territory Area(s), you must pay us a non-refundable Additional Territory Area Fee of \$3,500 for each Additional Territory Area you purchase. In addition, upon your purchase of each Additional Territory Area, your Corporate Support Fees and Marketing Contribution Fees will increase, as set forth in Sections 6.2 and 6.4 of the Franchise Agreement and Item 6. If we approve your request to purchase an Additional Territory Area(s), such Additional Territory Area(s) shall become a part of your Territory under this Agreement and the zip codes of the Additional Territory Area(s) will be added to Attachment 1 to the Franchise Agreement by an amendment signed by you and us. \_

The continuation of your Territory rights are not dependent on achieving a certain sales volume, market penetration, or other contingency, except as described in the preceding paragraph. You will not have the right of first refusal or any similar rights in the contiguous territories or areas surrounding or near your Territory. Except as described in the preceding paragraphs, you will not have the right to amend or modify your Territory unless we otherwise agree to in writing.

We reserve and retain any and all rights with respect to the System and the Marks, the sale of any products and services anywhere in the world, including, without limitation, the right to now or in the future:

a. operate or license others to operate mobile service centers offering the same products and services that are part of the System under the Marks anywhere outside the Territory or proximate to the Territory;

b. to initiate and conduct national or major account programs in which large accounts contract directly with us for service on a national or regional basis, and agree upon pricing to be charged by us and/or our franchisees for servicing such accounts. We can fulfill services for national and major accounts in your Territory without paying you any compensation. However, we may collect fees from national and major accounts with locations inside your Territory and pay you a percentage of those fees to perform those services on our behalf. The amount and frequency of our payments to you based on servicing national or major accounts are at our sole and absolute discretion;

c. to develop and operate and license others to develop and operate businesses, other than a Dental Fix Business, identified in whole or in part by the Marks, or other names and marks, in your Territory or proximate to your Territory, including, but not limited to, businesses that offer the same or similar services as Dental Fix Businesses;

d. to directly merchandise, sell and distribute products, services and supplies that are part of the System, under the Marks, or other names and marks, anywhere, including in your Territory or proximate to your Territory, through any other method or channel of distribution, including without limitation, catalogs, telemarketing, shopping clubs, wholesale or retail facilities, the internet, or other direct marketing sales. If we sell products, services or supplies directly to Practitioners in your Territory we may, but we are not obligated to, offer you a commission based on those purchases in our sole and absolute discretion. We may sell consumable supplies directly to Practitioners and Clinics within your Territory and we may, in our sole and absolute discretion, pay you a commission based on those sales;



e. offer and sell products and services under the Marks or any other marks that are not part of the System through any distribution method anywhere, including within your Territory; and

f. to purchase, merge, acquire or affiliate with any other chain or business regardless of the location of those businesses, and to operate, franchise, or license those businesses as Dental Fix Businesses operating under the System, the Marks, or any other mark following our purchase, merger, acquisition, affiliation, regardless of the location of such businesses (which may be within your Territory and proximate to your Territory).

From time to time, we may have the opportunity to offer you additional products and services to market in your Territory. If you are not ready, willing and able to do so, we may market them ourselves under the Dental Fix Name and Mark, or appoint another franchisee to do so. Otherwise, we may not unilaterally modify your Territory.




Neither we nor our affiliates operate or currently plan to operate or franchise a business under a different trademark that sells or will sell goods and services similar to those our franchisees offer.

### ITEM 13. TRADEMARKS

#### Principal Marks

We grant you the right and license to operate the franchise business under the name “DENTAL FIX” and other current or future Marks. By “Marks,” we mean trademarks, trade names, service names, service marks and logos we may authorize for you to identify your franchised business.

The following Marks owned by us have been registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

REGISTRATION NUMBER	MARK	REGISTRATION DATE
3897037		December 28, 2010
3901446	DENTAL FIX RX	January 4, 2011
4636049		November 11, 2014
4636048		November 11, 2014

4695290		March 3, 2015
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We have filed all required affidavits in connection with the federally registered trademarks.

You must follow our rules when you use the Marks, including promptly notifying us of any unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Marks. We have the right to select legal counsel and to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We will defend you against any third party claim, suit or demand arising out of your proper use of the Marks, as authorized by us and in accordance with the terms of the Franchise Agreement. If we determine that you have used the Marks in accordance with the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement. If we determine that you have not used the Marks in accordance with the Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement, as well as any of our attorney's fees and costs. If there is any litigation due to your use of the Marks, you must sign all documents and do all things as may be necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action.

There are no agreements currently in effect which limit our rights to use or license the use of any Mark. We reserve the right to substitute different proprietary marks for use in identifying the System and businesses operating under it if we, in our sole discretion, determine that substitution of different marks as Marks that will be beneficial to the System. No such substitute marks exist at this time.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings concerning the Marks.

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of any Marks and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable period of time after receiving notice at your own expense. Also, we will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Marks or for any expenditure you make to promote a modified or substitute trademark or service mark.

You may use the Trade Names and Marks only lawfully in the operation of a Dental Fix Business. You may not use any other trade names or marks in connection with operation and marketing of your Dental Fix Business. You may not use the Dental Fix Trade Names as part of your legal name (corporate, limited liability company, or partnership name), although you may use it as your fictitious name of your business. You must commit no act or omission that would lead to confusion between you as franchisee and us as franchisor. We do not know of any infringing uses that could materially affect your use of the Marks in this state or elsewhere.

We have no actual knowledge of superior prior rights or infringing uses that could materially affect

your use of the Principal Marks in this state or the state in which your Dental Fix Business is to be located.

#### **ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.**

##### **Patents and Copyrights**

There are no patents that are material to the franchise. We 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 our property and may be used by you only as provided in the Franchise Agreement. You may not use our confidential information in any unauthorized way, and you must take reasonable steps to prevent its disclosure to others.

##### **Confidential Operations Manual**

We will lend you a copy of the Manual or provide you with electronic access to the Manual for the term of the Franchise Agreement (the Manual's table of contents is attached to this disclosure document at Exhibit D). You must treat the Manual, any other manuals created for or approved for use in the operation of your Dental Fix Business, and the information contained in them, as confidential, and must use reasonable efforts to maintain this information as secret and confidential. You must not reproduce these materials or otherwise make them available to any unauthorized person. The Manual will remain our sole property. If you have a paper copy of the Manual, you must keep it in a secure place.

We may revise the contents of the Manual, and you must comply with each new or changed standard. If you have a paper copy, you must ensure that the Manual is kept current at all times. If there is a dispute as to the contents of the Manual, the terms of our master copy will control.

In the event of expiration or termination of your Franchise Agreement, you must immediately return the Manual to us.

##### **Confidential Information**

We may reveal certain proprietary information to you, which may include without limitation customer information and information in the Manual provided to you. You must not, during or after the term of the Franchise Agreement, divulge or use for the benefit of anyone else any confidential information concerning the System and the methods of operation of your Dental Fix Business. You may divulge confidential information only to those employees who must have access to it in order to operate your Dental Fix Business. Any and all information, knowledge and other data which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement.

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

You must at all times directly supervise the operation of the Dental Fix Business, or you may employ a fully trained manager for this purpose.

You must devote ample time and efforts to managing the general business matters of the Business. Further, you may not, during the term of the Franchise Agreement, engage in any conflicting enterprises. Also, you, your manager and others, as recited here, are bound by the confidentiality requirements discussed in the Franchise Agreement and non-competition covenants discussed in the Franchise Agreement.

You and your employees must comply with the confidentiality requirements in your Franchise Agreement, including executing the Confidentiality/Non-disclosure Agreement.

All legal and beneficial owners of the Franchisee must sign the Personal Guaranty attached to the Franchise Agreement.

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

You will offer for sale at the Dental Fix Business and in connection with the Business only the authorized services and authorized products, as specified in the Manual or as designated in writing by us, or that we have expressly approved according to the Franchise Agreement. You must offer all services and products we designate or offer to you. You may not offer or make available at or from or through the Dental Fix Business any unauthorized services or products without our prior written consent. We have the unlimited right to change the types of authorized goods and services consistent with the objectives of the System.

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

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

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>PROVISION</b>	<b>SECTION IN OR OTHER AGREEMENT</b>	<b>SUMMARY</b>
a. Length of the franchise term	Section 4.1	Initial term is 20 years.
b. Renewal or extension of the term	Section 4.2	When the Term expires, you may extend your franchise for one additional 10-year term if you satisfy certain conditions.
c. Requirements for franchisee to renew or extend	Section 4.2	<p>“Renewal” means that you may be asked to sign a successor franchise agreement with terms and conditions that are materially different from those in your original agreement.</p> <p>You must be in substantial compliance with the agreement, sign a general release, sign the then-current franchise agreement which may contain materially different terms and conditions from the original franchise agreement, pay a renewal fee equal to 25% of the then-current initial franchise fee, and provide satisfactory evidence of your financial capability. Your business must possess all updated Mobile Service Centers, software, tools, training and other items to meet then-current standards, at your expense.</p>

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>PROVISION</b>	<b>SECTION IN OR FRANCHISE OR OTHER AGREEMENT</b>	<b>SUMMARY</b>
d. Termination by franchisee	Section 10.1	The Franchise Agreement may be terminated upon written agreement by both you and us; provided, however, you must provide us with at least six (6) months' prior written notice of your intent to terminate the Franchise Agreement and must: (i) immediately pay us a fee of \$10,000 for administrative and legal expenses we will incur in connection with your request to terminate; (ii) have all of your financial statements up to date as of the notice and through the effective date of termination; (iii) sign, along with your Related Parties that are guarantors to this Agreement, a general release of all claims that you and your Related Parties have or may have against us or our Related Parties in a form satisfactory to us; and (iv) comply with your post-termination obligations, as set forth in Sections 8.4 - 8.7 and 10.4.
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Section 10.2	We can terminate your franchise only if you default under your Franchise Agreement.
g. "Cause" defined-- curable defaults	Section 10.2.2	You have 30 days after notice to cure all defaults other than those described in Section 10.2.2
h. "Cause" defined- non curable defaults	Sections 10.2.1	You made material misrepresentations or omissions in obtaining franchise; you make a transfer in violation of the Franchise Agreement; you abandon the franchise; you knowingly fail to maintain any required licenses; you are convicted of or plead no contest to a felony or violation involving drugs, alcohol or you lose your driver's license; you engage in dishonest or unethical conduct; you knowingly disclose confidential information; you interfere with our business relations or ability to operate the System; you knowingly fail to maintain required insurance policies and do not correct

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>PROVISION</b>	<b>SECTION FRANCHISE OR OTHER AGREEMENT</b>	<b>SUMMARY</b>
		within 10 days after notice; you fail to pay us amounts due and fail to pay within 5 days after notice; you receive 3 or more notices of default within any 18 month period; you materially breach any other agreements with us or our affiliates and such agreement is terminated for cause; you fail to select a territory we consent to within 180 days or fail to commence operation of the Dental Fix Business within 90 days, as provided in Section 7.2.3 of the Franchise Agreement; you fail to purchase any tools, equipment, supplies, products, services from us or our designated suppliers as required; you interfere with or prevent inspections or audits; you fail to satisfactorily complete initial or other required training; or you become insolvent, make an assignment for the benefit of creditors, or file for bankruptcy.
i. Franchisee's obligations on termination/nonrenewal	Sections 10.2.4 and 10.4	Pay outstanding amounts, de-identification, return of confidential information, assign telephone number, sell the assets of your Dental Fix Business to us if we request, maintain records of your Dental Fix Business as stated in Section 10.4 of the Franchise Agreement, comply with your post-term covenants, continue to be responsible for warranty claims that may arise from your former customers
j. Assignment of contract by franchisor	Section 9.7	There are no restrictions on our right to assign.
k. "Transfer" by franchisee-defined	Sections 1.16 and 9.5	Includes sale or transfer of Franchise Agreement or assets of the Dental Fix Business or any ownership change
l. Franchisor's approval of transfer by franchisee	Sections 9.1 and 9.3	We have the right to approve all transfers, our consent not to be unreasonably withheld.
m. Conditions for franchisor's approval of transfer	Sections 9.2 – 9.4	Transferee qualifies, all amounts due are paid in full, transferee completes training, you are in compliance with the Franchise Agreement, you and others sign a general release, transfer fee is paid

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>PROVISION</b>	<b>SECTION FRANCHISE OR OTHER AGREEMENT</b>	<b>SUMMARY</b>
		to us, then-current franchise agreement and personal guaranty, if applicable, signed, and you comply with your post-termination covenants not to compete and your confidentiality obligations.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 9.3	We can match any offer.
o. Franchisor's option to purchase franchisee's business	Sections 9.9 and 10.4	<p>We may purchase your Dental Fix Business at any time. If we buy your Dental Fix Business, it will be for 30% of your gross sales in the previous twelve month period.</p> <p>Upon termination, expiration or non-renewal of the Franchise Agreement, we may purchase some or all of the assets of your Dental Fix Business at the lower of the fully depreciated book value or fair market value of the assets.</p>
p. Death or disability of franchisee	Section 9.6	Your Dental Fix franchise must be assigned to an approved buyer within six months or transferred to an heir or representative, as detailed in Section 9.6 of the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 8.6	You cannot directly or indirectly operate or benefit from or assist a competing business anywhere as stated in Section 8.6(a) of the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Section 8.6	No competing business for two years within your Territory, within 40 miles of any Practitioner in the Territory, or within the territory of any Dental Fix franchisee.
s. Modification of the agreement	Sections 5.3, and 11.4	No modifications unless signed by all of the parties to the Franchise Agreement, but we may unilaterally revise operating manuals, modify our franchise system, and reduce the scope of your non-compete covenant.
t. Integration/merger clause	Section 11.6	Only the terms of the Franchise Agreement and this Disclosure Document are binding (subject to state law). Any representations or promises made outside this Disclosure Document

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>PROVISION</b>	<b>SECTION IN OR FRANCHISE OR OTHER AGREEMENT</b>	<b>SUMMARY</b>
		and the Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 11.7	Either party may, at its option, begin mediation procedures, which will be conducted by the American Arbitration Association in Miami-Dade County, Florida.
v. Choice of forum	Section 11.8	Except as otherwise provided by your State's law, all disputes must be brought in state or federal court in Broward County, Florida.
w. Choice of law	Section 11.2	Except to the extent the Lanham Act governs, or as otherwise provided by your State's law, Florida law applies.

#### **ITEM 18. PUBLIC FIGURES**

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

#### **ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to us by contacting Eric Masson, Dental Fix Rx, LLC, 4380 Oakes Road, Suite 800, Davie, Florida 33314, (954) 791-4793, the Federal Trade Commission, and the appropriate state regulatory agencies.



**ITEM 20. OUTLETS AND FRANCHISEE INFORMATION**

**SYSTEMWIDE OUTLET SUMMARY  
FOR YEARS 2014 TO 2016**

**TABLE 1**

<b>OUTLET TYPE</b>	<b>YEAR</b>	<b>OUTLETS AT THE START OF THE YEAR</b>	<b>OUTLETS AT THE END OF THE YEAR</b>	<b>NET CHANGE</b>
FRANCHISED	2014	42	90	+48
	2015	90	108	+18
	2016	108	108	0
COMPANY- OWNED	2014	0	0	0
	2015	0	0	0
	2016	0	0	0
TOTAL OUTLETS	2014	42	90	+48
	2015	90	108	+18
	2016	108	108	0

**TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE  
FRANCHISOR)  
FOR THE YEARS 2014 TO 2016**

**TABLE 2**

<b>STATE</b>	<b>YEAR</b>	<b>NUMBER OF TRANSFERS</b>
California	2014	1
	2015	0
	2016	0
Florida	2014	0
	2015	0
	2016	2
New York	2014	0
	2015	2
	2016	0
Texas	2014	0
	2015	1
	2016	1
Virginia	2014	0
	2015	0
	2016	1
TOTAL OUTLETS	2014	1
	2015	3
	2016	4

**STATUS OF FRANCHISED OUTLETS  
FOR YEARS 2014 TO 2016  
TABLE 3**

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS -OTHER REASONS	OUTLETS AT END OF YEAR
AL	2014	0	2	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	1	0	0	0	1
AZ	2014	1	3	0	0	0	0	4
	2015	4	1	1	0	0	0	4
	2016	4	0	2	0	0	0	2
AK	2014	1	1	0	0	0	0	2
	2015	2	0	2	0	0	0	0
	2016	0	0	0	0	0	0	0
CA	2014	5	8	1	0	0	0	12
	2015	12	4	5	0	0	0	11
	2016	11	1	7	0	0	0	5
CO	2014	1	2	0	0	0	0	3
	2015	3	1	0	0	0	0	4
	2016	4	0	0	0	0	0	4
FL	2014	10	2	0	0	0	0	12
	2015	12	2	1	0	0	0	13
	2016	13	0	2	0	0	1	10
GA	2014	1	2	0	0	0	0	3
	2015	3	1	0	0	0	0	4
	2016	4	0	0	0	0	0	4
ID	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
IA	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
IL	2014	1	4	1	0	0	0	4
	2015	4	0	2	0	0	0	2
	2016	2	1	0	0	0	0	3
IN	2014	0	1	0	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	0	0	2
KS	2014	1	1	0	0	0	1	1
	2015	1	0	1	0	0	0	0
	2016	0	0	0	0	0	0	0
KY	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
LA	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	1	0	0	0	0	2
MD	2014	3	1	0	0	0	1	3
	2015	3	1	0	0	0	0	4
	2016	4	1	0	0	0	0	5

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS -OTHER REASONS	OUTLETS AT END OF YEAR
MA	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
MI	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	1	0	0	0	0	4
MS	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
MO	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
NE	2014	0	0	0	0	0	0	0
	2015	0	2	0	0	0	0	2
	2016	2	0	0	0	0	0	2
NV	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
NJ	2014	0	0	0	0	0	0	0
	2015	0	2	0	0	0	0	2
	2016	2	5	0	0	0	0	7
NM	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
NY	2014	0	3	0	0	0	0	3
	2015	3	1	0	0	0	0	4
	2016	4	2	0	0	0	1	5
NC	2014	2	1	0	0	0	0	3
	2015	3	1	0	0	0	0	4
	2016	4	1	0	0	0	0	5
OH	2014	0	8	0	0	0	0	8
	2015	8	1	0	0	0	0	9
	2016	9	2	2	0	0	0	9
OR	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	1	0	0	0	0	2
PA	2014	1	2	0	0	0	0	3
	2015	3	1	3	0	0	0	1
	2016	1	1	1	0	0	0	1
RI	2014	1	1	1	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	1	0	0	0	0
SC	2014	1	0	0	0	0	0	1
	2015	1	2	0	0	0	0	3
	2016	3	0	0	0	0	0	3
TN	2014	0	3	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS -OTHER REASONS	OUTLETS AT END OF YEAR
TX	2014	4	6	0	0	0	0	10
	2015	10	6	1	0	0	0	15
	2016	15	1	2	0	0	0	14
UT	2014	0	0	0	0	0	0	0
	2015	0	2	0	0	0	0	2
	2016	2	0	0	0	0	0	2
VA	2014	0	2	0	0	0	0	2
	2015	2	1	0	0	0	0	3
	2016	3	1	1	0	0	0	3
WA	2014	0	2	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	1	1
WI	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
TOTAL	2014	42	55	5	0	0	2	90
	2015	90	34	16	0	0	0	108
	2016	108	22	19	0	0	3	108

**STATUS OF COMPANY-OWNED OUTLETS  
FOR YEARS 2014 TO 2016**

**TABLE 4**

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
TOTAL	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0

Notes:

(1) All numbers are as of December 31 for each year.

**PROJECTED OPENINGS AS OF DECEMBER 31, 2016**

**TABLE 5**

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
Alabama	0	0	0
Alaska	0	0	0
Arizona	0	2	0
Arkansas	0	0	0
California	3	4	0
Colorado	0	0	0
Connecticut	0	2	0
Delaware	0	2	0
District of Columbia	0	0	0
Florida	1	4	0

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
Georgia	1	0	0
Hawaii	2	0	0
Idaho	0	3	0
Illinois	1	2	0
Indiana	2	2	0
Iowa	0	0	0
Kansas	0	0	0
Kentucky	1	2	0
Louisiana	1	1	0
Maine	0	0	0
Maryland	2	3	0
Massachusetts	0	0	0
Michigan	0	2	0
Minnesota	0	0	0
Mississippi	1	1	0
Missouri	0	2	0
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	3	0
New Hampshire	0	0	0
New Jersey	2	3	0
New Mexico	1	2	0
New York	2	5	0
North Carolina	1	2	0
North Dakota	0	0	0
Ohio	3	1	0
Oklahoma	0	0	0
Oregon	0	1	0
Pennsylvania	1	2	0
Puerto Rico	0	0	0
Rhode Island	0	1	0
South Carolina	0	1	0
South Dakota	0	0	0
Tennessee	0	0	0
Texas	3	5	0
Utah	0	0	0
Vermont	0	0	0
Virginia	0	3	0
Washington	0	1	0
West Virginia	0	0	0
Wisconsin	0	1	0
Wyoming	0	0	0
TOTALS	28	63	0

### Current Franchisee Contact Information

Attached as Exhibit E-1 to this disclosure document is a list of the names, addresses and telephone numbers of our current franchisees as of the issuance date of this disclosure document.

## **Former Franchisees Contact Information**

Attached as Exhibit E-2 to this disclosure document is a list of the names, addresses and telephone numbers of franchisees who have had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under their franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

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

## **Confidentiality Clauses**

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Dental Fix franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

## **Trademark-Specific Franchisee Organizations**

There are no trademark-specific franchisee organizations.

## **ITEM 21. FINANCIAL STATEMENTS**

Attached as Exhibit F to this disclosure document is our audited financial statements as of December 31, 2016, December 31, 2015 and December 31, 2014.

## **ITEM 22. CONTRACTS**

The following contracts and agreements are attached to this disclosure document:

Exhibit B	State Specific Addenda
Exhibit C	Franchise Agreement and Attachments
Exhibit G	Sample Copy of General Release
Exhibit H	Promissory Note
Exhibit I	Franchisee Disclosure Acknowledgment Statement

## **ITEM 23. RECEIPTS**

Two copies of a document acknowledging your receipt of this disclosure document appear at the end of this disclosure document (following the exhibits and attachments). Please sign both copies, return one copy to us and retain the other for your records.

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

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
<b>CALIFORNIA</b>	Department of Business Oversight One Sansome Street, Suite 600 San Francisco, CA 94104 415-972-8559 1-866-275-2677	Commissioner of Business Oversight 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677
<b>CONNECTICUT</b>	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 860-240-8230	Connecticut Banking Commissioner Same Address
<b>FLORIDA</b>	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 850-245-6000	Same
<b>GEORGIA</b>	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 404-656-3790	Same
<b>HAWAII</b>	State of Hawaii Business Registration Division Securities Compliance Branch Dept. of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 808-586-2722	Hawaii Commissioner of Securities Same Address
<b>ILLINOIS</b>	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General Same Address
<b>INDIANA</b>	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
<b>IOWA</b>	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 515-281-4441	Same
<b>KENTUCKY</b>	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602	Same



STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
	502-696-5389	
<b>LOUISIANA</b>	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 504-342-7013 (gen. info.) 504-342-7900	Same
<b>MAINE</b>	Department of Business Regulations State House - Station 35 Augusta, ME 04333 207-298-3671	Same
<b>MARYLAND</b>	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
<b>MICHIGAN</b>	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit Williams Building, 1 <sup>st</sup> Floor 525 W. Ottawa Street Lansing, MI 48909 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
<b>MINNESOTA</b>	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 500 St. Paul, MN 55101 651-296-4026	Minnesota Commissioner of Commerce Same Address
<b>NEBRASKA</b>	Department of Banking and Finance 1526 K Street, Suite 300 Lincoln, NE 68508 P.O. Box 95006 Lincoln, Nebraska 68509-5006 402-471-2171	Same
<b>NEW HAMPSHIRE</b>	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 603-271-3641	Same
<b>NEW YORK</b>	Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 212-416-8222	Secretary of State of New York 41 State Street Albany, New York 12231 Mrs. Lassoﬀ 212-416-8236 Mr. Grimes 212-416-8235
<b>NORTH CAROLINA</b>	Secretary of State's Office/Securities Division 2 South Salisbury Street Raleigh, NC 27601 919-733-3924	Secretary of State Secretary of State's Office Same Address

<b>STATE</b>	<b>STATE ADMINISTRATOR</b>	<b>AGENT FOR SERVICE OF PROCESS</b>
<b>NORTH DAKOTA</b>	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 701-328-4712; Fax: 701-328-0140	North Dakota Securities Commissioner Same Address
<b>OHIO</b>	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 15th Floor Columbus, OH 43215 614-466-8831 or 800-282-0515	Same
<b>OKLAHOMA</b>	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 405-521-2451	Same
<b>OREGON</b>	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 503-378-4387	Director Department of Insurance and Finance Same Address
<b>RHODE ISLAND</b>	Rhode Island Department of Business Regulation Securities Division John O. Pastore Center – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920 401-222-3048	Director, Rhode Island Department of Business Regulation Same address
<b>SOUTH CAROLINA</b>	Secretary of State 1205 Pendleton St., Ste. 525 Columbia, SC 29201 803-734-1728	Same
<b>SOUTH DAKOTA</b>	Department of Labor and Regulation Division of Securities 124 S. Euclid, Ste. 104 Pierre, SD 57501 605-773-4823	Director of South Dakota Division of Securities Same Address
<b>TEXAS</b>	Secretary of State Registrations Unit P.O. Box 12887 Austin, TX 78711-3550 512-475-0775	Same
<b>UTAH</b>	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804 TELE: 801-530-6601 FAX:801-530-6001	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
<b>VIRGINIA</b>	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9 <sup>th</sup> Floor 1300 E. Main Street Richmond, VA 23219 804-371-9051	Clerk of the State Corporation Commission 1300 E. Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 804-371-9733
<b>WASHINGTON</b>	Department of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501 360-902-8762	Director, Dept. of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501
<b>WISCONSIN</b>	Wisconsin Dept. of Financial Institutions Division of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703 608-266-8557	Wisconsin Commissioner of Securities Same Address

**EXHIBIT B**  
**STATE SPECIFIC ADDENDA**

CALIFORNIA ADDENDUM TO DENTAL FIX RX, LLC  
FRANCHISE DISCLOSURE DOCUMENT

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with this Disclosure Document.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

Neither the franchisor, nor any person nor franchise broker in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in such association or exchange.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS, CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at [www.corp.ca.gov](http://www.corp.ca.gov).

In recognition of the California Franchise Investment Law, Cal. Bus. & Prof Code § 31000, et seq., and the California Franchise Relations Act, Cal. Corp. Code § 20000, et seq., the Uniform Franchise Disclosure Document for Dental Fix RX, LLC offering franchises under the “DENTAL FIX” mark for use in the State of California shall be amended as follows:

1. Item 17, “Renewal, Termination, Transfer and Dispute Resolution” shall be amended by adding the following disclosure:

“If you sign a general release, in a form prescribed by the Franchisor, of any and all claims against the Franchisor and its affiliates, and their respective officers, directors, agents, and employees, the release must exclude such claims that you may have that have arisen under the California Franchise Investment Law or the California Franchise Relations Act.”

2. Item 17, “Renewal, Termination, Transfer and Dispute Resolution”, shall be amended by adding the following disclosure:

“The California Franchise Relations Act provides to franchisees additional rights concerning non-renewal. Notice of intention by the Franchisor not to renew a franchise agreement must be given at least 180 days prior to the expiration of the franchise agreement. In the event that any of the provisions of a franchise agreement conflict with the statute, the conflicting provisions will be considered invalid.”

3. Item 17, “Renewal, Termination, Transfer and Dispute Resolution” shall be amended by adding the following disclosure:

“The California Franchise Relations Act provides to franchisees additional rights concerning termination. A franchise may be terminated only for good cause, and franchisees must be given notice of default and a reasonable opportunity to cure defects (except for certain defects, as specified in the statute, which require no notice or cure). In

the event that any of the provisions of a franchise agreement conflict with the statute, the conflicting provisions will be considered invalid.”

4. Item 17, “Renewal, Termination, Transfer and Dispute Resolution” shall be amended by adding the following disclosure:

“Your execution of a general release under seal, in a form satisfactory to the Franchisor of any and all claims against the Franchisor and its officers, directors, shareholders and employees, in their corporate and individual capacities, including, any and all claims, whether arising under federal, state or local laws, rules or ordinances as a condition to transfer must exclude those such claims as the transferor may have that have arisen under the California Franchise Investment Law or California Franchise Relations Act.”

5. Item 17, “Renewal, Termination, Transfer and Dispute Resolution” shall be amended by adding the following disclosure:

“Covenants not to compete upon termination or expiration of the Franchise Agreement are not enforceable under California Law, except in limited circumstances. The Franchisor does not know whether the foregoing covenants are enforceable under California Law.”

6. Item 17, “Renewal, Termination, Transfer and Dispute Resolution” shall be amended by adding the following disclosure:

“The Franchise Agreement requires application of the law of the State of Florida. This provision may not be enforceable under California law.”

ILLINOIS ADDENDUM TO DENTAL FIX RX, LLC  
FRANCHISE DISCLOSURE DOCUMENT

1. Any releases that the Franchisor requests the Franchisee to sign must conform with the Illinois Franchise Disclosure Act.
2. Item 17(h) of the Franchise Disclosure Document is amended to comply with Illinois Franchise Disclosure Act Section 19, which requires franchisors to provide the franchisee with notice of its failure to comply with any lawful provision of the franchise agreement or other agreement and a reasonable opportunity to cure the default, which in no event need be more than 30 days, before terminating the franchise agreement prior to the expiration of its term. However, no notice or an opportunity to cure is required to be provided to the franchisee in situations in which the franchisee: (i) makes an assignment for the benefit of creditors or a similar disposition of the assets of the franchise business; (ii) voluntarily abandons the franchise business; (iii) is convicted of a felony or other crime which substantially impairs the good will associated with the franchisor's trademark, service mark, trade name or commercial symbol; or (iv) repeatedly fails to comply with the lawful provisions of the franchise or other agreement.
3. Under Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. Accordingly, Item 17(v) of the Franchise Disclosure Document is amended to provide for the exclusive jurisdiction and venue of any dispute, controversy or claim arising out of or relating to the Franchise Agreement or the breach thereof, or the relationship between the parties, not resolved by negotiation or mediation, to be in a court of competent jurisdiction in Chicago, Illinois.
4. Under Illinois law, a franchise agreement may not provide for a choice of law of any state other than Illinois. Accordingly, Item 17(w) of the Franchise Disclosure Document is amended to state "Illinois is the choice of law as set forth in Illinois Franchise Disclosure Act Section 705/4."

ADDENDUM TO DENTAL FIX RX, LLC  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF ILLINOIS

This Addendum to Franchise Agreement is effective as of the date Franchisor and Franchisee sign the Franchise Agreement, and amends the Franchise Agreement as follows:

1. Any releases that the Franchisor requests the Franchisee to sign must conform with the Illinois Franchise Disclosure Act.
2. Section 10.2.1 of the Franchise Agreement is amended to comply with Illinois Franchise Disclosure Act Section 19, which requires franchisors to provide the franchisee with notice of its failure to comply with any lawful provision of the franchise agreement or other agreement and a reasonable opportunity to cure the default, which in no event need be more than 30 days, before terminating the franchise agreement prior to the expiration of its term. However, no notice or an opportunity to cure is required to be provided to the franchisee in situations in which the franchisee: (i) makes an assignment for the benefit of creditors or a similar disposition of the assets of the franchise business; (ii) voluntarily abandons the franchise business; (iii) is convicted of a felony or other crime which substantially impairs the good will associated with the franchisor's trademark, service mark, trade name or commercial symbol; or (iv) repeatedly fails to comply with the lawful provisions of the franchise or other agreement.
3. Under Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. Accordingly, Section 11.8 of the Franchise Agreement is amended to provide for the exclusive jurisdiction and venue of any dispute, controversy or claim arising out of or relating to the Franchise Agreement or the breach thereof, or the relationship between the parties, not resolved by negotiation or mediation, to be in a court of competent jurisdiction in Chicago, Illinois.
4. Under Illinois law, a franchise agreement may not provide for a choice of law of any state other than Illinois. Accordingly, Section 11.2 of the Franchise Agreement is amended to provide that Illinois law governs the Franchise Agreement and related agreements between Franchisor and Franchisee.
5. Section 11.9 of the Franchise Agreement is amended to add the following, in compliance with Section 27 of the Illinois Franchise Disclosure Act: "Notwithstanding anything in this Section to the contrary, no action shall be maintained under Section 26 of the Illinois Franchise Disclosure Act to enforce any liability created by the Act unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after the Franchisee becomes aware of the facts or circumstances reasonably indicating that Franchisee may have a claim for relief with respect to conduct governed by the Act, or ninety (90) days after delivery to Franchisee of a written notice disclosing the violation, whichever shall first expire."
6. The Franchise Agreement is subject to Section 41 of the Illinois Franchise Disclosure Act, which states:

"Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State



is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.”

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FRANCHISOR:  
DENTAL FIX RX, LLC

By: \_\_\_\_\_

FRANCHISEE

By: \_\_\_\_\_

Name: \_\_\_\_\_

INDIANA ADDENDUM TO DENTAL FIX RX, LLC  
FRANCHISE DISCLOSURE DOCUMENT

1. To be added to Item 3 of the FDD, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the FDD is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.
3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).
4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends the Franchise Agreement.
5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FRANCHISOR:  
DENTAL FIX RX, LLC

By:\_\_\_\_\_

FRANCHISEE

By:\_\_\_\_\_

Name:\_\_\_\_\_

MARYLAND ADDENDUM TO DENTAL FIX RX, LLC  
FRANCHISE DISCLOSURE DOCUMENT

Amendments to the Disclosure Document:

Item 17

The general release required as a condition of renewal, sale, and /or assignment shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Maryland residents are permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

AMENDMENT TO DENTAL FIX RX, LLC  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF MARYLAND

This Addendum to Franchise Agreement is effective as of the date Franchisor and Franchisee sign the Franchise Agreement, and amends the Franchise Agreement as follows:

Section 4.2 and 9.4 of the Franchise Agreement says that Dental Fix may require you to sign a general release of claims as a condition of renewal or transfer of your franchise. Under Maryland law (COMAR 02.02.08.16L), this condition will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Under Addendum I Franchisee Compliance Questionnaire, you are required to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland franchise law. Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Therefore, these agreements should be considered amended to state that the representations are not intended to nor do they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Section 4-216(c) (25) of the Maryland Franchise Registration and Disclosure Law requires a franchisor to file an irrevocable consent to be sued in Maryland. Section 11.8 of the Franchise Agreement contains provisions requiring a franchisee to file all claims which, as a matter of law or public policy cannot be submitted to arbitration, to agree to file the litigation only in the State of Florida. Accordingly, the Franchise Agreement is amended to permit a franchisee to bring litigation which, as a matter of law or public policy cannot be submitted to arbitration, in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure law must be brought within three years after the franchise is granted.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

FRANCHISOR:  
DENTAL FIX RX, LLC

By: \_\_\_\_\_

FRANCHISEE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Witness

MINNESOTA ADDENDUM TO DENTAL FIX RX, LLC  
FRANCHISE DISCLOSURE DOCUMENT

This Disclosure Document and Franchise Agreement are subject to the Minnesota Franchise Act. Amendments to the Disclosure Document:

1. Item 13, Trademarks, shall be amended by the addition of the following paragraph:

“In compliance with Minn. Stat. ' 80C.14, Subd. 1(g), we will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.”

2. Item 17, Renewal, Termination, Transfer and Dispute Resolution, the following language shall be amended by adding the following:

“Minnesota Franchise Act, Minn. Stat. ' 80C.21, and Minn. Rule 2860.4400(J) prohibit us from requiring arbitration or litigation to be conducted outside Minnesota. In addition, nothing in this Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, including specifically Chapter 80C.17, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

3. Item 17, Renewal, Termination, Transfer and Dispute Resolution, shall be amended by the addition of the following paragraphs at the conclusion of the Item 17:

“You will sign a general release, in a form prescribed by us, of any and all claims against Dental Fix, its affiliates, and their respective officers, directors, agents and employees, excluding only such claims as you may have that has arisen under the Minnesota Franchise Act or the Rules and Regulations promulgated thereunder by the Commissioner of Commerce.”

“Notwithstanding the foregoing, your rights regarding renewal may be determined by applicable provisions of the Minnesota Franchise Act, Minn. Stat. ' 80C.14, and Minnesota Rule ' 2860.4400(M).”

“The transferor's execution of a general release under seal, in a form satisfactory to Dental Fix, of any claims against Dental Fix and its officers, directors, shareholders and employees, in their corporation and individual capacities, excluding only such claims as you may have that have arisen under the Minnesota Franchise Act or the Rules and Regulations promulgated thereunder by the Commissioner of Commerce.”

“To the extent that the above provisions regarding termination are inconsistent with the requirements of the Minnesota Franchise Act, Minn. Stat. ' 80C.14 and Minn. Rules 2860.4400(E) and (F) (which, among other things, grant you the right, in most circumstances, to at least 90 days' prior written notice of termination, with 60 days to cure, and reason thereof, which must, in any case, be for good cause), the above termination provisions will be superseded by the Act's requirements and will have no force or effect.”

AMENDMENT TO DENTAL FIX RX, LLC  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchise Act, Minnesota Statutes, " 80C.01 - 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Commissioner of Commerce, the parties to the attached Dental Fix Rx, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 7.1.1 of the Agreement shall be supplemented by the addition of the following language:

"Dental Fix Rx, LLC will protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name."

2. Section 9.4(g) of the Agreement under the heading "Conditions for Consent to Transfer," shall be deleted in its entirety and shall have no force or effect, and the following shall be inserted in lieu thereof:

"Franchisee must sign a general release under seal, in a form satisfactory to Dental Fix Rx, LLC, of any claims against Dental Fix Rx, LLC and its officers, directors, shareholders and employees, in their corporation and individual capacities, excluding only such claims as Franchisee may have that have arisen under the Minnesota Franchise Act or the Rules and Regulations promulgated thereunder by the Commissioner of Commerce."

3. Section 10 of the Agreement under the heading "Termination", shall be supplemented by the following new subsection 10.5 entitled "Termination Rights under Minnesota Law":

"Minnesota law provides Franchisee with certain termination, non-renewal and transfer rights. Minn Stat. ' 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of this Agreement, and that consent to transfer of the franchise may not be unreasonably withheld."

4. Section 11.2 of the Agreement entitled "Governing Law" shall be supplemented by the addition of two final paragraphs as follows:

"With respect to franchises governed by Minnesota law, Dental Fix Rx, LLC will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require except in certain specified cases, that Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement."

"Minnesota Franchise Act, Minn. Stat. ' 80C.21, and Minn. Rule 2860.4400(J) prohibit Dental Fix Rx, LLC from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. This includes Section 80C.17, subd. 5, which provides that no action may be commenced in accord with this section more than 3 years after the cause of action accrues."

5. Sect. 8.6(d) is amended to delete the words “without the need to post bond.”
6. The Minnesota Franchise Act, Rule 2860.4400(J), supersedes any provision to the contrary in the Franchise Agreement for all franchises under the Minnesota Franchise Act. It states that no franchise agreement may:  
  
“...require a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.”

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Amendment to the Franchise Agreement in duplicate on the day and year first above written.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

ATTEST:

FRANCHISOR:  
DENTAL FIX RX, LLC

\_\_\_\_\_  
Witness

By:\_\_\_\_\_

ATTEST:

FRANCHISEE

\_\_\_\_\_  
Witness

By:\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Witness

By:\_\_\_\_\_



NEW YORK ADDENDUM TO DENTAL FIX RX, LLC  
FRANCHISE DISCLOSURE DOCUMENT

Registration of this franchise with the State does not mean that the State recommends it or has verified the information in this Disclosure Document. If you learn that anything in this Disclosure Document is untrue, contact the Federal Trade Commission and the State Administrator for this State listed in Exhibit A.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE IN THIS PROSPECTUS.

THIS DISCLOSURE DOCUMENT IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THIS DISCLOSURE DOCUMENT AND ALL CONTRACTS AND AGREEMENTS SHOULD BE READ CAREFULLY IN THEIR ENTIRETY FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ALTHOUGH THESE FRANCHISES HAVE BEEN ACCEPTED FOR FILING SUCH FILING UNDER GENERAL BUSINESS LAW, ARTICLE 33 OF THE STATE OF NEW YORK DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE NEW YORK STATE DEPARTMENT OF LAW THAT THE

INFORMATION PROVIDED IN THIS AGREEMENT IS TRUE. THE DEPARTMENT'S REVIEW DID NOT INCLUDE A DETAILED EXAMINATION OF THE MATERIALS SUBMITTED. A FALSE, INCOMPLETE, INACCURATE OR MISLEADING STATEMENT MAY CONSTITUTE A VIOLATION OF BOTH FEDERAL AND STATE LAW, AND SHOULD BE REPORTED TO BOTH FEDERAL TRADE COMMISSION, WASHINGTON, DC 20580 AND THE NEW YORK STATE DEPARTMENT OF SECURITIES, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, NEW YORK, NY 10271.

GENERAL BUSINESS LAW, ARTICLE 33 OF THE STATE OF NEW YORK MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE A COPY OF THE OFFERING PROSPECTUS, TOGETHER WITH A COPY OF THE FRANCHISE AGREEMENT AT THE EARLIER OF (A) THE FIRST PERSONAL MEETING BETWEEN THE FRANCHISE OR ITS AGENT AND THE PROSPECTIVE FRANCHISEE, (B) AT LEAST TEN (10) BUSINESS DAYS PRIOR TO THE EXECUTION OF A BINDING FRANCHISE OR OTHER AGREEMENT OR (C) AT LEAST TEN (10) BUSINESS DAYS PRIOR TO THE RECEIPT OF ANY CONSIDERATION IN CONNECTION WITH THE SALE OR PROPOSED SALE OF A FRANCHISE.

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: SECRETARY OF STATE, 41 STATE STREET, ALBANY, NY 12231.

Amendments to Item 3 of the Disclosure Document:

Except as stated in Item 3 of the prospectus, Neither we, nor any person or franchise sales agent identified in Item 2 of the prospectus, have any actions required to be disclosed under 13 NYCRR 200.4(iii), Item 3:

- A. Has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations. In addition, include pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.
- C. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or is subject to any currently effective order of any national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Amendments to Item 4 of the Disclosure Document:

Neither the franchisor, its affiliate, its predecessor nor its officers has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed under 13 NYCRR 200.4(iii), Item 4:

- (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code;
- (b) obtained a discharge of its debts under the bankruptcy code; or
- (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

The introduction to Item 17 is amended to read as follows:

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE

RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.

The Summary column of Item 17j is amended to read: “we shall have the right to transfer or assign all or any part of its interest hereto any person or legal entity who in our good faith judgment has the willingness and capacity to assume our obligations.”

The Summary column of Item 17s is amended to add the following: “Revisions to the Manual will not unreasonably affect your obligations, including your economic obligations, under the Franchise Agreement.”

The Summary column of Item 17w is amended to add the following: “The foregoing choice of law should not be considered a waiver of any right conferred upon you by the General Business Law of the State of New York, Article 33.”

THIS NEW YORK ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF NEW YORK OR LOCATE THEIR FRANCHISES IN NEW YORK.

NORTH CAROLINA ADDENDUM TO DENTAL FIX RX, LLC  
FRANCHISE DISCLOSURE DOCUMENT

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

ATTEST:

FRANCHISOR:  
DENTAL FIX RX, LLC

\_\_\_\_\_  
Witness

By:\_\_\_\_\_

ATTEST:

FRANCHISEE

\_\_\_\_\_  
Witness

By:\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Witness

By:\_\_\_\_\_

NORTH DAKOTA ADDENDUM TO DENTAL FIX RX, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
AND AMENDMENT TO FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF NORTH DAKOTA

The North Dakota Securities Department requires the following specific disclosures to be made and amendments to be made to the franchise agreement of prospective North Dakota franchises:

1. Item 17(c) of the Disclosure Document and Section 4 of the Franchise Agreement require the franchisee to sign a general release upon renewal of the franchise agreement. These requirements are deleted.
2. Item 17(i) of the Disclosure Document and Section 10 of the Franchise Agreement require the franchisee to consent to termination or liquidated damages. These requirements are deleted.
3. Item 17(r) of the Disclosure Document and Section 8 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which franchisees must agree. Such covenants may be subject to Section 9-08-06 of the North Dakota Century Code. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
4. Item 17(u) of the Disclosure Document and Section 11 of the Franchise Agreement provide that the franchisee must agree to the arbitration or mediation of disputes, such arbitration or mediation to be held in Florida. This provision is amended to provide the site of arbitration or mediation must be agreeable to all parties.
5. Item 17(v) of the Disclosure Document and Section 11 of the Franchise Agreement provide that franchisees must consent to the jurisdiction of courts in Florida. This provision is deleted.
6. Item 17(w) of the Disclosure Document and Section 11 of the Franchise Agreement provide that the agreement shall be construed according to the laws of the State of Florida. "Florida" is replaced with the words "North Dakota".
7. Section 11 of the Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. That is deleted.
8. Section 11 of the Franchise Agreement requires the franchisee to consent to a waiver of exemplary and punitive damages. That is deleted.
9. Section 11 of the Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. That is deleted and the statute of limitations under North Dakota Law will apply.

VIRGINIA ADDENDUM TO DENTAL FIX RX, LLC  
FRANCHISE DISCLOSURE DOCUMENT

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for DENTAL FIX RX, LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following statement is added to Item 17.h:

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

WASHINGTON ADDENDUM TO DENTAL FIX RX, LLC  
FRANCHISE DISCLOSURE DOCUMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act (the “Act”), Chapter 19.100 RCW, prevails.

Section RCW 19.100.180 of the Act, may supersede the franchise agreement in your relationship with us, including the area of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with us including the area of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site will either be in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In Washington, provisions of the Franchise Agreement which unreasonably limit the statute of limitations or remedies under the Washington Franchise Investment Act, such as the right to jury trial, may not be enforceable.

The Franchise Agreement requires application of the laws of a state other than Washington. If there is a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chap. 19.100 RCW, will prevail.

The Franchise Agreement requires you to sign a general release of claims as a condition of renewing or transferring the franchise. A release or waiver of rights signed by a franchise owner may not include rights under the Washington Franchise Investment Protection Act. This will not prevent a franchisor from requiring you to sign a general release of claims as part of a negotiated settlement of a dispute after the agreement is in effect and when you are represented by independent counsel.

Under Washington law, transfer fees may be collected only to the extent that they reflect the franchisor’s reasonable estimated or actual costs in connection with the transfer.

AMENDMENT TO DENTAL FIX RX, LLC  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF WASHINGTON

This Amendment is entered into this \_\_\_\_\_, 20\_\_\_\_ (the “**Effective Date**”), between DENTAL FIX RX, LLC, a New Jersey corporation, with its principal business address at 4380 Oakes Road, Suite 814, Davie, FL 33314 (“**we,**” “**us,**” “**our**” or “**Franchisor**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_

(referred to in this Amendment as “**you,**” “**your**” or “**Franchisee**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Amendment is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Amendment supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Amendment have the meanings as defined in the Agreement.
2. **Washington Franchise Investment Protection Act.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act (the “**Act**”), Chapter 19.100 RCW, prevail.
3. **Relationship.** Section RCW 19.100.180 of the Act may supersede this Agreement in your relationship with us, including the area of termination and renewal of your franchise. There may also be court decisions which may supersede this Agreement in your relationship with us including the area of termination and renewal of your franchise.
4. **Waiver of Rights.** A release or waiver of rights signed by you will not include rights under the Act except when signed pursuant to a negotiated settlement after the agreement(s) are in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.
5. **Transfer Fees.** Transfer fees may be collected to the extent that they reflect our reasonable estimated or actual costs in effectuating a transfer.
6. **Arbitration.** In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

Intending to be bound, you and we sign and deliver this Amendment in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**DENTAL FIX RX, LLC**

**FRANCHISEE**

By:\_\_\_\_\_

By:\_\_\_\_\_

Name:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_

Date:\_\_\_\_\_



WISCONSIN ADDENDUM TO DENTAL FIX RX, LLC  
FRANCHISE DISCLOSURE DOCUMENT

Franchise Disclosure Document for DENTAL FIX RX, LLC for use in the State of Wisconsin shall be amended as follows:

Cover Page:

**THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE WISCONSIN FRANCHISE INVESTMENT LAW. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF WISCONSIN OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HERE IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE WISCONSIN FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

**THIS DISCLOSURE DOCUMENT AND THE FRANCHISE AGREEMENTS ARE SUBJECT TO THE WISCONSIN FRANCHISE INVESTMENT LAW.**

1. Item 17, Renewal, Termination, Transfer and Dispute Resolution, shall be amended by the addition of the following paragraphs at the conclusion of the Item 17 disclosures:

“To the extent that the provisions regarding renewal described in this section are inconsistent with the requirements of the Wisconsin Fair Dealership Law (which, among other things, grants you the right, in most circumstances, to 90 days prior written notice of termination and 60 days within which to remedy any claim deficiencies), the renewal provisions will be superseded by the requirements of the Wisconsin Fair Dealership Law and will have no force or effect.”

“To the extent that the provisions regarding termination described in this section are inconsistent with the requirements of the Wisconsin Fair Dealership Law (which, among other things, grants you the right, in most circumstances, to 90 days prior written notice to termination and 60 days within which to remedy any claim deficiencies), the termination provision will be superseded by the requirements of the Wisconsin Fair Dealership Law and will have no force or effect.”

“To the extent that the provisions regarding termination described in the Franchise Agreement regarding repurchase of inventory are inconsistent with the requirements of §135.045 of the Wisconsin Fair Dealership Law, the above-mentioned provisions will be superseded by the Law's requirements, which states that if we, at the option of you, repurchase inventory which was sold by us to you for resale, fair wholesale market value must be paid for all merchandise bearing a name, trade name, label or other mark which identifies “DENTAL FIX RX”.”

“Covenants not to compete during the term of and upon termination or expiration of a Franchise Agreement are enforceable only under certain conditions according to Wisconsin Law.”

AMENDMENT TO DENTAL FIX RX, LLC  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF WISCONSIN

In recognition of the Wisconsin Fair Dealership Law, Wisconsin Statutes, §§ 135.01 -135.07, the parties to the attached DENTAL FIX RX, LLC ("Franchisor") Franchise Agreement (the "Agreement") agree as follows:

1. Section 4.2 of the Agreement, under the heading "Renewal", shall be supplemented by the addition of a new final paragraph (i) as follows:

"To the extent that the provisions of §2 regarding renewal are inconsistent with the requirements of the Wisconsin Fair Dealership Law (which, among other things, grants you the right, in most circumstances, to 90 days prior written notice to termination and 60 days within which to remedy any claims deficiencies), said renewal provision will be superseded by the requirement of the Wisconsin Fair Dealership Law and will have no force or effect."

2. The following provision shall be added to the Franchise Agreement as new Section 10.5 entitled "Termination Rights under Wisconsin Law:

"To the extent that the provision of §10.2 regarding termination are inconsistent with requirements of the Wisconsin Fair Dealership Law (which, among other things, grants you the right, in most circumstances to 90 days prior written notice of termination and 60 days within which to remedy any claimed deficiencies), said termination provisions will be superseded by the requirements of the Wisconsin Fair Dealership Law and will have no force or effect."

IN WITNESS WHEREOF, the parties intending to be bound legally, have fully executed, sealed and delivered this Amendment to the Agreement as of the day and year contained in the Agreement.

ATTEST:

FRANCHISOR:  
DENTAL FIX RX, LLC

\_\_\_\_\_  
Witness

By:\_\_\_\_\_

ATTEST:

FRANCHISEE

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Witness

By:\_\_\_\_\_

**EXHIBIT C**  
**FRANCHISE AGREEMENT**

**DENTAL FIX RX, LLC  
FRANCHISE AGREEMENT**



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Customer Guarantee Addendum



**DENTAL FIX RX, LLC  
FRANCHISE AGREEMENT**

**PARTIES**

This Franchise Agreement ("Agreement") is between Dental Fix Rx, LLC ("Dental Fix" "we" or "us"), a Florida limited liability company, with its principal office at 4380 Oakes Road, Suite 800, Davie, Florida 33314, and \_\_\_\_\_  
\_\_\_\_\_ ("you" or "your"), and \_\_\_\_\_  
("Guarantor(s)"). The Start Date of this Agreement is \_\_\_\_\_, 20\_\_.

**RECITALS**

WHEREAS, we have developed and exclusively own a special system for operating mobile service centers which provides equipment maintenance, service and repair, equipment sales, hand piece repair, and consumable products (the "System") to dentists and dental practices ("Practitioners") under the trade name and principal mark DENTAL FIX RX® (a "Dental Fix Business");

WHEREAS, the System includes, among other things, the following elements, all or some of which may be deleted, changed, improved or further developed by us from time to time: business methods, technical knowledge, specialized services, brand concepts, operational processes, trade secrets, commercial ideas, advertising materials, marketing strategies, information on sources of supply, and training techniques, distinctive and characteristic trade names, trade dress, trademarks and service marks, including, but not limited to, our principal mark DENTAL FIX RX®, and any other trade names, service marks and trademarks that we may designate in writing for use with the System (the "Marks"), uniform standards, methods and procedures for business and financial operations, designs, signs, equipment, trade dress, training, operation, management, promotion, advertising, customer development and service techniques, and other technical assistance all of which may be changed, improved, or further developed by us;

WHEREAS, you recognize the benefits to be derived from receiving a franchise from us and desire to enter into this Agreement and receive those benefits. You recognize that your success in owning and operating a Dental Fix Business is speculative and will depend on many factors which include to a large extent your independent business ability;

WHEREAS, we have reviewed your application for a Dental Fix franchise and have decided to award you a franchise in accordance with the terms of this Agreement. In awarding this Agreement to you, we make no representations, warranties, or guaranties, express or implied that you may or will earn a profit, or that you may or will derive income from your Dental Fix Business that exceeds the price you paid to establish it; and

WHEREAS, we are willing to grant to you, and you are willing to accept from us, the right and obligation to own and operate a Dental Fix Business using our Marks and our System, throughout the term of this Agreement and according to the terms and conditions of this Agreement.

NOW THEREFORE, you and we agree as follows:

## **1. DEFINITIONS**

For purposes of this Agreement, when the following words and phrases begin with a capital letter, they shall have the meanings set forth in this Article 1:

### **1.1 Clinic**

“Clinic” means Practitioner offices regardless of the number of Practitioners within the physical premises, hospitals, as well as any other business that your Dental Fix Business provides services and products to. A single Practitioner may count as one Clinic and a physical office space with more than one Practitioner may be counted as only one Clinic in our sole discretion.

### **1.2 Corporate Support Fee**

“Corporate Support Fee” or “CSF” means the fees identified and required under Section 6.4 of this Agreement.

### **1.3 Dental Fix Business**

“Dental Fix Business” means the franchised business that we authorized you to conduct under our Trade Names, Marks, and the System.

### **1.4 Designated Principal**

“Designated Principal” means you in your role as professional operator of a Dental Fix Business or, if you are an entity, the person or persons whom you have appointed and we have certified as professional operator(s) of your Dental Fix Business.

### **1.5 Franchisee**

“Franchisee” means an individual or company to whom we have granted a license or franchise to operate a Dental Fix Business.

### **1.6 Franchise Network**

“Franchise Network” means the interdependent network composed of us, all Dental Fix Franchisees, our Related Parties, and any other people or companies that have been licensed to use our Trade Names, the Marks or all or any part of the Franchise System.

### **1.7 Good Standing**

“Good Standing” means that you and each of your Designated Principals: (1) are not in default of your obligations or commitments, arising from this Agreement or any other agreement between you and us and, (2) are in compliance with all performance standards or similar standards in the Manual and/or that are part of the System.

### **1.8 Manual**

“Manual” means our confidential operations manual that we will lend you or give you electronic access to during the term of this Agreement, and other communications delivered to our Franchisees generally, from time to time, at our sole discretion relating to procedures, methods, know how, techniques,

practices, rules, standards, business methods, technical knowledge, specialized services, brand concepts, operational processes, trade secrets, commercial ideas, advertising materials, marketing strategies, and information on sources of supply and training techniques, all as updated or modified from time to time, and containing information, forms, and requirements for the establishment and operation of a Dental Fix Business and for use of our Trade Names, Marks and System.

## **1.9 Marks**

“Marks” means the trademarks, service marks, trade dress, logotypes, slogans, and other commercial symbols as changed from time to time in our discretion which we authorize you to use under this Agreement, including new marks which we may own and license to you or we may license and then sublicense to you in the future.

## **1.10 Mobile Service Center**

“Mobile Service Center(s)” is the vehicle(s) from which you will operate your Dental Fix Business under this Agreement and which meets our specifications.

## **1.11 Premises**

“Premises” is where your Dental Fix Business is located and where your Mobile Service Center(s) and equipment are located. The physical address of your real property Premises, if any, is listed in **Attachment 1**.

## **1.12 Related Party**

“Related Party” or “Related Parties” means people and companies associated with us or you, as the context suggests, including general partners, limited partners, shareholders, members, companies in which we or you have an interest, companies in which any person or company owning an interest in you also has an interest, your and our Parents, subsidiaries and affiliates, and your and our officers, directors, agents and employees.

## **1.13 Start Date**

“Start Date” means the date written in the recitals to this Agreement above. The Start Date may be changed only with our written consent.

## **1.14 System**

“System” means all of the procedures, methods, know how, techniques, practices, rules, standards and all the intellectual property we license or sublicense to you under this Agreement for the operation of a Dental Fix Business, including our business methods, technical knowledge, specialized services, brand concepts, operational processes, trade secrets, commercial ideas, advertising materials, marketing strategies, information on sources of supply and training techniques.

## **1.15 Territory**

“Territory” means the area identified in **Attachment 1** to this Agreement.

## **1.16 Trade Names**

“Trade Names” means the commercial name Dental Fix Rx and such name(s) as may be added or substituted by us.

## **1.17 Transfer**

Except as otherwise described in this Agreement, “Transfer” means any sale, gift, assignment or other change in the ownership of all or any part (1) of your rights or obligations under this Agreement, (2) of the capital assets of your Dental Fix Business or (3) of an ownership interest in you. The grant of a security interest or collateral interest in any of the foregoing shall be a “Transfer” for the purpose of this Agreement.

## **1.18 We**

“We” and “us” means Dental Fix Rx, LLC our officers, directors, employees, and/or affiliates.

## **1.19 You**

“You” (whether or not capitalized) means You if you are an individual or if You are an entity, You means your directors and officers, and any individual with a direct or indirect equity or beneficial interest in You. In addition, “You” means all people or entities that succeed to your interest by Transfer or other operation of law.

# **2. LICENSED RIGHTS**

## **2.1 Granting Clause**

Subject to the terms and conditions contained in this Agreement, we grant to you the right and obligation and you accept from us the right and obligation to own and operate a Dental Fix Business within a designated Territory designated on **Attachment 1** to this Agreement only under our Trade Names, Marks, and System during the term of this Agreement and in accordance with our specifications, the Manual, and the provisions of this Agreement (the “Franchise”).

# **3. TERRITORY**

## **3.1 Territory**

### **3.1.1 Your Territory**

You may conduct your Dental Fix Business only within the defined Territory specified in **Attachment 1** to this Agreement, except as otherwise expressly provided in this Agreement. During the term of this Agreement, provided that you are in compliance with this Agreement and any other agreements with us and subject to our rights set forth in Section 3.2 below and Section 7.2.3, we will not operate ourselves nor grant anyone else a franchise to locate or operate a Dental Fix Business in your Territory. Except as expressly provided in Section 7.2.3 below, you may not change your Territory without our prior written approval, which may be withheld for any or no reason.

Your Territory consists of the Clinics within the geographical area shown by map or zip codes listed in **Attachment 1** to this Agreement. We have the discretion to define the number of Clinics for your Territory, which typically includes between 50 and 350 Clinics. The number may differ for your Territory

compared to other franchisees. You must have a sufficient number of Mobile Service Centers to serve the needs of the Clinics in your Territory, which number may vary from time to time, but is reasonably likely to require one (1) Mobile Service Center for every fifty to one hundred (50-100) Practitioners to be served by you. Annually, we will assess factors we consider relevant, which may include Mobile Service Center capacity, your services provided, the market size, revenues, and other factors to determine if your market requires you to increase your number of Mobile Service Centers or make other changes in your Dental Fix Business. If we determine your market requires you to increase the number of Mobile Service Centers for your Territory, you agree to purchase an additional Mobile Service Center(s). If you desire to increase the number of Mobile Service Centers for your Territory, you must obtain our prior written consent before purchasing an additional Mobile Service Center for your Dental Fix Business. If your Dental Fix Business maintains an average gross revenue of \$10,000 per month for three (3) consecutive months, then we may, in our discretion, require you to purchase an additional Mobile Service Center.

### **3.1.2 Territory Infringement**

You may not solicit customers or service customers outside of your Territory without our advance written consent, which we may give or withhold in our discretion, based on factors, which may include without limitation existing coverage in the Territory, fulfillment of your obligations under the Agreement, finances, and market opportunities we perceive.

You shall not solicit customers, service customers, market or advertise outside of your Territory without our prior written consent, which we may give or withhold in our absolute discretion. If we consent to the operation or marketing of your Dental Fix Business outside of your Territory, we may, at any time thereafter, revoke our consent and you must immediately cease operating and/or marketing your Dental Fix Business outside of your Territory. We shall not, in any event or under any circumstances, be liable to you for any loss, injury or damage to you which may result from the failure of another Dental Fix franchisee to comply with this or similar obligation.

If you infringe upon another Dental Fix franchisee's territory by generating income from a customer for goods and/or services provided and/or rendered within such other Dental Fix franchisee's territory without first obtaining that franchisee's and our prior written permission, you shall be required to pay to us, within five (5) days after the infringement is proven: (a) for your first violation, One Thousand Dollars (\$1,000), plus the invoice amount for the products or services sold; and (b) for your second and subsequent violations, Five Thousand Dollars (\$5,000), plus the invoice amount for the products or services performed. These payments shall become our property and any distribution of these funds shall be in our sole discretion.

### **3.1.3 Territory Expansion**

You may, only if we approve, in our sole discretion, expand your Territory by purchasing additional, available territory areas that are adjacent to your Territory ("Additional Territory Area(s)"). Each Additional Territory Area will contain approximately fifty (50) Clinics, although the actual number of Clinics in such Additional Territory Area may be less. If we approve your request to purchase an Additional Territory Area(s), you must pay us a non-refundable Additional Territory Area Fee of Three Thousand Five Hundred Dollars (\$3,500) for each Additional Territory Area you purchase. In addition, upon your purchase of each Additional Territory Area, your Corporate Support Fees and Marketing Contribution Fees will increase, as set forth in Sections 6.2 and 6.4. If we approve your request to purchase an Additional Territory Area(s), such Additional Territory Area(s) shall become a part of your Territory under this Agreement and the zip codes of the Additional Territory Area(s) will be added to **Attachment 1** to this Agreement by an amendment signed by you and us. \_

### **3.2 Rights Reserved by Us**

We reserve and retain any and all rights with respect to the System and the Marks, the sale of any products and services anywhere in the world, including, without limitation, the right to now or in the future:

a. operate or license others to operate Mobile Service Centers offering the same products and services that are part of the System under the Marks anywhere outside the Territory or proximate to the Territory;

b. to initiate and conduct national or major account programs in which large accounts contract directly with us for service on a national or regional basis, and agree upon pricing to be charged by us and/or our franchisees for servicing such accounts. We can fulfill services for national and major accounts in your Territory without paying you any compensation. However, we may collect fees from national and major accounts with locations inside your Territory and pay you a percentage of those fees to perform those services on our behalf. The amount and frequency of our payments to you based on servicing national or major accounts are at our sole and absolute discretion;

c. to develop and operate and license others to develop and operate businesses, other than a Dental Fix Business, identified in whole or in part by the Marks, or other names and marks, in your Territory or proximate to your Territory, including, but not limited to, businesses that offer the same or similar services as Dental Fix Businesses;

d. to directly merchandise, sell and distribute products, services and supplies that are part of the System, under the Marks, or other names and marks, anywhere, including in your Territory or proximate to your Territory, through any other method or channel of distribution, including without limitation, catalogs, telemarketing, shopping clubs, wholesale or retail facilities, the internet or other direct marketing sales. If we sell products, services or supplies directly to Practitioners in your Territory we may, but we are not obligated to, offer you a commission based on those purchases in our sole and absolute discretion. We may sell consumable supplies directly to Practitioners and Clinics within your Territory and we may, in our sole and absolute discretion, pay you a commission based on those sales;

e. offer and sell products and services under the Marks or any other marks that are not part of the System through any distribution method anywhere, including within your Territory; and

f. to purchase, merge, acquire or affiliate with any other chain or business regardless of the location of those businesses, and to operate, franchise, or license those businesses as Dental Fix Businesses operating under the System, the Marks, or any other mark following our purchase, merger, acquisition, affiliation, regardless of the location of such businesses (which may be within your Territory and proximate to your Territory).

From time to time, we may have the opportunity to offer you additional products and services to market in your Territory. If you are not ready, willing and able to do so, we may market them ourselves under the Dental Fix Name and Marks, or appoint anyone else to do so.

## **4. TERM AND RENEWAL**

### **4.1 Initial Term**

The initial term of this Agreement will begin on the Start Date and will continue for twenty (20) years, unless otherwise terminated as provided for in this Agreement.

## **4.2 Renewal**

You will have the right to renew your franchise rights for one additional term of ten (10) years, provided you comply with all of the following conditions:

- (a) You provide us one hundred eighty days (180) days written notice of your desire to renew prior to the expiration of the initial term of this Agreement;
- (b) You and your Related Parties are in full compliance with this Agreement and all other agreements with us and our Related Parties;
- (c) You sign our then current form of franchise agreement at the time of renewal (with appropriate modifications to reflect the fact that the franchise agreement relates to the grant of a renewal franchise). This franchise agreement may be materially different from this Agreement, including, without limitation, different fees, marketing and advertising contributions, Territory, and requirements as to the number of mobile units required;
- (d) You and your Related Parties sign a general release, in a form prescribed by us, releasing us and our Related Parties from all claims you have or may have against us or them;
- (e) You pay us a renewal fee equal to twenty-five percent (25%) of the then-current initial franchise fee;
- (f) You provide evidence satisfactory to us that you have the financial wherewithal and trained personnel to continue as a Dental Fix franchisee; and
- (g) You purchase such additional mobile units, training, tools, software and other technology and refurbish your existing mobile units, software, other products and equipment as we require, so your franchise meets all then current standards and specifications for new Dental Fix franchises.

## **5. OUR SERVICES**

We will perform the following services for you at times, to the extent and at places we select, as long as you are in Good Standing under this Agreement, and all other agreements with us or any of our Related Parties and the Manual. You are required to accept and receive these services, and to pay for them to the extent required.

### **5.1 Training**

#### **5.1.1 Initial Training**

Before the opening of your Dental Fix Business, we will conduct an initial training program in the operation of your Dental Fix Business under the System. You and, if you are an entity, your Designated Principal(s) and all employees you employ to provide technical services for your Dental Fix Business, must attend and successfully complete the initial training program to our satisfaction before you may open your Business. Your Dental Fix Business may only be supervised and managed by a person who has successfully completed our initial training program, and all operators of your Mobile Service Centers must, likewise, have successfully completed our initial training program. You or your Designated Principal must faithfully attend all phases of the initial training program and complete it to our satisfaction, as certified by us in writing. Failure to successfully complete any aspect of that training program, as we determine in our sole discretion, constitutes grounds for immediate termination of this Agreement upon notice without providing you with any opportunity to cure.

The cost for one (1) trainee to attend the initial training program is included in the Initial Franchise Fee. The fee for additional trainees and for training each new employee is Fifteen Thousand Dollars (\$15,000) per person. Training fees are payable a minimum of thirty (30) days prior to training and are

non-refundable. If you or any of your trainees do not successfully complete the initial training program to our satisfaction, the trainee may re-enroll in the initial training program, for which we will charge you a fee of Five Thousand Dollars (\$5,000). In addition to these fees, you are responsible for all expenses incurred by you and your trainees' in connection with the training, including, but not limited to, travel, transportation, meal, lodging and living expenses.

In the event you cancel or reschedule the initial training for you, your employees or Designated Principals, you must provide us with written notice at least sixty (60) days in advance of the scheduled initial training commencement date. If you fail to do so, you must pay us a One Thousand Dollar (\$1,000) cancellation fee upon our demand.

### **5.1.2 On-Site Grand Opening Launch Training**

We may, in our sole discretion, provide you with up to five (5) days of on-site training and assistance immediately before and/or after the commencement of operations of your Dental Fix Business. The duration and timing of such on-site training and assistance will be determined by us in our sole judgment. There will be no fee charged for this on-site grand opening launch training, if we decide to provide it, but you must pay us for our travel, lodging and meal expenses.

### **5.1.3 On-Going Training**

You and your employees may be required to take additional training each year, as we deem appropriate. Additional training that is mandatory for franchisees will be provided without charge, but you will be responsible for lodging, meals, living and travel expenses.

We may also require you to attend training provided by third party manufacturers and other suppliers at your expense.

We may implement additional levels of training that may be required in order to qualify you or your employees to repair more types of equipment than in initial training. If for any reason you do not receive the additional levels of training and you, therefore, cannot offer the higher level of service, you will be required to send us or our designee the equipment for repair at your cost.

We may also conduct optional training classes and charge a fee for such classes which you may attend at your expense.

## **5.2 Consultation**

Our personnel may be available to you by telephone or other electronic communication to consult on aspects of your Dental Fix Business operations as we deem appropriate in our discretion.

You understand and agree that all advice, consultation and guidance provided by us is only supportive of the operation of your Dental Fix Business and that the overall success of your Dental Fix Business is primarily dependent upon your business abilities and efforts, as well as the efforts of persons you employ, market factors and other factors that are not within our control.

## **5.3 Manual**

We will lend you a copy of the Manual or make the Manual electronically available to you. We may revise the Manual periodically to reflect the development of our business and will distribute updated pages containing these revisions to you, or, if the Manual has been placed on an electronic communications



system, we will post revised pages there. We reserve the right to make changes of any kind to the Manual, in our sole discretion. To be in Good Standing under this Agreement, you must comply with the Manual. The Manual and all methods, procedures, standards and requirements in it, and all amendments to it made from time to time, are incorporated in this Agreement and made a part hereof. Failure to comply with the Manual is a breach of this Agreement.

#### **5.4 Our Marketing**

We may, but are not obligated to, conduct marketing activities on your behalf, including making marketing calls in your Territory, and, in our discretion, the creation and execution of advertising and promotional campaigns, development of new products, creation of advertising and marketing materials and other activities associated with building the Dental Fix brand and improving the System. We will determine the amount, timing, schedule and content of all marketing and advertising activities and programs, if any, in our discretion.

You agree, at your sole cost and expense, to issue, offer and participate in such rebates, give-aways, prize contests, special offers, public relations campaigns, product launches, price point promotions and other promotions in accordance with any advertising programs we may establish from time to time, so long as compliance with any of the foregoing does not contravene any applicable law, rule or regulation. You shall be responsible for the costs of such participation, which may include a commitment by you to purchase specified quantities of inventory and supplies to support these programs. You are required to obtain our prior written approval prior to implementing any program or promotion that we have not mandated or provided.

#### **5.5 Proprietary Software**

We will license to you, for the fee stated in Article 6, our or our designated supplier's proprietary software for use in the operation of your Dental Fix Business. You must use this software. You are required to sign the Software License Agreement set forth in **Attachment 5** to this Agreement. As recited in Attachment 5, you may be required to replace or upgrade the software and to purchase or license additional software at your expense to comply with our requirements.

#### **5.6 Scheduling and Collections**

Our personnel may schedule your services through our Operations Support Center ("Operations Support Center"). If you schedule services directly with a customer at the customer's request, you will advise the Operations Support Center of the appointment date, time and location and the nature of the service requested. Generally, you will advise your potential and existing customers to contact our Operations Support Center directly whenever they require your services.

If the customer does not remit payment to you within thirty (30) days of billing, you must accelerate your collection efforts using the guidelines and recommendations we make to you in the Manual or otherwise in writing.

You must report to us within three (3) days all monies you receive in any form from customers or in connection with your Dental Fix Business. You must deposit all such monies in an account over which we have the right and ability to transfer funds to ourselves electronically to satisfy any and all of your obligations to us as and when we determine. **Attachment 2** to this Agreement is the Electronic Funds Transfer ("EFT") Agreement between you and us that you are required to sign.

## **5.7 Equipment Service**

### **5.7.1 Small Equipment Repair (SER)**

When you encounter repairs that cannot be repaired on-site, we will provide consultation and estimates to help determine if the equipment can be repaired by us in our Small Equipment Repair Center. If the equipment can be repaired by our Small Equipment Repair Center, then you must use us and no other vendor for such repairs in accordance with our procedures as set forth in the Manual or otherwise. You will be responsible for all shipping, delivery and repair costs and expenses and for sending us the equipment for repair. The cost of such repairs may be more expensive than you otherwise might pay to a third-party service.

### **5.7.2 On-Site Technical Support and Repair Services**

Upon your request, we or our designee may provide on-site technical support and repair services with qualified technicians as scheduled by us. You must pay us a fee for such services, which will depend upon the scope of the work to be performed, the number of technicians required, and the time and labor required, among other factors. You must also reimburse us for our or our designee's expenses for travel, lodging and meals. If we or our designee are able to provide the technical support and repair services requested, you must use us or our designee for such services and no other vendor.

## **5.8 Annual Meetings**

In our discretion, we may hold an annual franchisee meeting/convention once each year to provide updates, offer continuing education, and encourage discussion of topics of importance to Franchisees and to the Franchise Network. You or your Designated Principal must attend the national convention at your expense. We may charge a fee for these events, which will not exceed One Thousand Dollars (\$1,000) per person. If we charge a fee, you must pay the fee at least 30 days in advance of the first day of such meeting/convention. You will also be responsible for your travel, meals, living and lodging expenses.

In addition, you or your Designated Principal must attend at least seventy-five percent (75%) of the meetings, if any, called by our staff in your region each year. Should we choose to implement a teleconference program, we may allow you to attend the meetings referred to in this section by teleconference.

## **5.9 Approved Equipment, Products and Services and Approval of Terms of Financing**

We designate certain equipment, tools, products, supplies and/or services you must purchase, lease or receive from us or from a supplier or suppliers we designate, and we may do so with additional products and/or services in the future. We also have the right to change our approved and designated suppliers in our discretion. You acknowledge that you may incur an increased cost to comply with such changes at your expense. You must use the product(s), services, and suppliers we designate, including without limitation, Mobile Service Centers, uniforms, tools, equipment, décor, logos, shelving, products, uplift/buildout services for your Mobile Service Centers, merchandise, signage, small equipment repair services, special repair services, and accounting and financial services and supplier(s). If you finance items, we reserve the right to approve the terms of your loan in advance.

You acknowledge and understand that we and/or our affiliates will be the only supplier of certain equipment, tools, products, supplies and/or services to you, and that the cost of such equipment, tools, productions, supplies and/or services may be higher than the cost of the same or similar equipment, tools, productions, supplies and/or services that may be purchased elsewhere. We shall have the right during the

term of this Agreement to amend, alter, add to, delete, or revise the equipment, tools, products, supplies and/or services that you are required to purchase directly from us and/or our affiliates. You acknowledge that we and/or our affiliates will make a profit on the sale of equipment, tools, products, supplies and/or services to you. You further understand that we and/or our affiliates may from time to time receive consideration from manufacturers, suppliers, vendors and/or other third parties in respect to sales of equipment, tools, products, supplies or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our affiliates shall be entitled to said profits and/or consideration.

We shall have no obligation to sell you any equipment, tools, products, supplies and/or services, if you are in default under this Agreement.

We agree that we will use our reasonable efforts to fulfill or to cause our designees to fulfill your orders for equipment, tools, products, supplies and/or services pursuant to this Agreement. However, we shall not be liable to you in the event that we or our designee are not able to fulfill an order for equipment, tools, products, supplies and/or services placed by you.

The cost of the equipment, tools, products, supplies and/or services and other products and items you are required to purchase from us and/or our affiliates shall be based on the price then in effect, as set forth and identified from time to time on our confidential published price lists, in our Manual, or through other written communications.

You acknowledge and agree that in purchasing or leasing products, supplies, equipment, tools, materials, services or other approved or required items from us, our affiliates or suppliers approved or designated by us, **WE EXPRESSLY DISCLAIM ANY AND ALL WARRANTIES OR REPRESENTATIONS AS TO THE CONDITION OF SAME, INCLUDING, WITHOUT LIMITATION, EXPRESS OR IMPLIED WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR ANY INTENDED PURPOSE. YOU AGREE TO LOOK SOLELY TO THE MANUFACTURER OR SUPPLIER OF SAME IN THE EVENT OF ANY DEFECTS THEREIN.** In addition, we disclaim any liability arising out of or in connection with the services rendered or products furnished by any supplier approved or designated by us. Our approval or consent to any services, goods, suppliers, or any other individual, entity or any item shall not create any liability to us.

#### **5.10 E-Mail Address for the Dental Fix Business**

We will provide you with e-mail addresses with the dentalfixrx.com domain name for your Designated Principals' and your manager's use solely in connection with the operation of the Dental Fix Business only, and for no other purpose. You acknowledge and agree that you will not own these e-mail addresses or domain name and your rights to use such e-mail addresses will immediately cease upon the Transfer, expiration or termination of this Agreement. We will charge you an annual fee of no more than One Hundred Dollars (\$100), as set forth in the Manual or otherwise, for each dentalfixrx.com e-mail address we assign to you. These e-mail addresses shall only be assigned to and used by you, your Designated Principals and your manager.

### **6. YOUR PAYMENTS**

#### **6.1 Initial Franchise Fee**

In consideration of the execution of this Agreement and our granting to you a franchise, you shall pay to us in immediately available funds an Initial Franchise Fee of Twenty-Five Thousand Dollars (\$25,000) when you sign this Agreement. This initial franchise fee is fully earned on receipt and is not

refundable under any circumstances.

## **6.2 Marketing Contributions**

### **6.2.1 Your Marketing Contribution Fee**

You agree to pay to us a weekly Marketing Contribution Fee based on the estimated initial Clinic Count of your Territory and any Additional Territory Area(s) you purchase, as follows:

Full Term of Franchise Agreement	
<b><u>Marketing Contribution Fee</u></b>	
<b><u>Initial Clinic</u></b>	
<b><u>Count</u></b>	<b><u>Weekly Total</u></b>
50 - 250	\$40
251 - and up	\$65
<b>Additional Territory Area</b>	
<b>Marketing Contribution Fee Increase</b>	
For each Additional Territory Area you purchase, your Marketing Contribution Fee will increase by \$10.	

Your weekly Marketing Contribution Fees will commence two (2) weeks from your grand opening date.

On occasion, as the market changes in your Territory, the Clinic Count may change based upon industry and market data that we select. If the Clinic Count increases based on market changes, then upon written notice from us, you will be required to pay the higher Marketing Contribution Fee based on the then-current Clinic Count in your Territory. The increase in the Marketing Contribution Fee for each Additional Territory Area you purchase, if any, will commence upon our approval of such purchase. We may adjust the amount of this Marketing Contribution Fee each year up to a maximum increase of 6%.

### **6.2.2 Use of Marketing Contributions**

Marketing contributions become the property of Dental Fix when paid (“Marketing Contributions”). We will direct all advertising programs that the Marketing Contributions finance with sole control over the strategic direction, creative concepts, materials, endorsements and media used in the programs, and the geographic, market and media placement and allocation of advertising. We may use the Marketing Contributions to pay for any and all marketing, promotion and advertisement of the Dental Fix System, including, but not limited to, market research, advertising materials, electronic media, websites, marketing agencies, media space, and time for a national or regional marketing program, a referral program, public relations activities, marketing grants to franchisees, collectively or individually, point-of-purchase materials, new product development and other similar projects, expenses of marketing and for marketing personnel and administering marketing programs or activities that we determine in our sole discretion to be in the best interests of the Dental Fix System. We do not have any fiduciary obligation for administering the Marketing Contributions. We may spend in any fiscal year more or less than the total Marketing Contributions made in that year, borrow money from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Any unused Marketing Contributions will rollover to the next calendar year. Upon your reasonable request, we may provide an unaudited report once each year of the amount of Marketing Contributions collected from franchisees and spent by us on marketing activities

during the prior year. We will not use the marketing contributions to advertise the sale of franchises, except that we may include references to franchise availability in our advertising materials. You acknowledge that we undertake no obligation in administering Marketing Contributions to make expenditures for advertising or promotions for the benefit of you which are in anyway equivalent or proportionate to your contributions, or to ensure that any particular franchisee benefits directly or on a pro rata basis from the placement of advertising, or to insure that any advertising impacts or penetrates your Territory at any level. Upon thirty (30) days prior written notice to you, we may suspend for any period of time or terminate (and, if terminated, reinstate) Marketing Contributions and our administering of Marketing Contributions. We will not terminate the administration of Marketing Contributions, however, until we have expended all Marketing Contributions received for advertising and promotional purposes.

### **6.2.3 Advertising Council**

We may establish an advertising council composed of Dental Fix franchisees to consult with us concerning advertising and marketing matters. If formed, such advertising council will serve in an advisory capacity only. Members of the advertising council will prepare governing documents subject to the terms of this Agreement, the Manual and subject to our prior consent. We will choose the members of any such advertising council in our sole discretion from our franchisees in the Dental Fix Franchise Network. In order to be eligible for selection into the advertising council, you must be in Good Standing and must be actively involved in the betterment of the Dental Fix Franchise Network and System. If we appoint you to such an advertising council, you agree to join, participate in, and actively support the advertising council. We have the sole right and authority, in our discretion, to form, dissolve, change and/or merge the advertising council. We will determine the number of members of the advertising council in our sole discretion and provide you with a copy of the advertising council's governing documents upon your written request.

### **6.2.4 Local or Regional Advertising Cooperative**

We do not currently require franchisees to join local or regional advertising cooperatives, but we may, and reserve the right to, in the future.

## **6.3 Photo Consent for Marketing**

In connection with the advertisement, promotion and marketing of the Dental Fix System, you grant us an irrevocable license to use and/or display pictures and images of you and your Dental Fix Business in any advertising or marketing materials distributed by us, including in any and all printed or on-line brochures. You acknowledge and agree that you are not entitled to receive any compensation or any monetary consideration or remuneration of any kind for our use and/or display of your and your Dental Fix Business's picture and image in any advertising or marketing materials distributed by us, including in any and all printed or on-line brochures.

## **6.4 Corporate Support Fees**

You agree to pay to us a weekly Corporate Support Fee based on the month of operation, the estimated initial Clinic Count of your Territory, any Additional Territory Area(s) you purchase, and the number of Mobile Service Centers you have, as follows:

<b>First 6 Months of Operation</b>		
<b><u>Initial Clinic Count</u></b>	<b><u>Weekly CSF for 0-1 Mobile Service Centers</u></b>	<b><u>Additional Weekly CSF for each additional Mobile Service Center</u></b>
50 – 250	\$100	\$75 for each additional Mobile Service Center
251 – and up	\$175	\$130 for each additional Mobile Service Center
<b>Months 7 through 24 of Operation</b>		
<b><u>Initial Clinic Count</u></b>	<b><u>Weekly CSF for 0-1 Mobile Service Centers</u></b>	<b><u>Additional Weekly CSF for each additional Mobile Service Center</u></b>
50 – 250	\$175	\$130 for each additional Mobile Service Center
251 – and up	\$350	\$235 for each additional Mobile Service Center
<b>Months 25 through 48 of Operation</b>		
<b><u>Initial Clinic Count</u></b>	<b><u>Weekly CSF for 0-1 Mobile Service Centers</u></b>	<b><u>Additional Weekly CSF for each additional Mobile Service Center</u></b>
50 – 250	\$225	\$165 for each additional Mobile Service Center
251 – and up	\$450	\$285 for each additional Mobile Service Center
<b>Month 49 through the term of this Agreement</b>		
<b><u>Initial Clinic Count</u></b>	<b><u>Weekly CSF for 0-1 Mobile Service Centers</u></b>	<b><u>Additional Weekly CSF for each additional Mobile Service Center</u></b>
50 – 250	\$275	\$185 for each additional Mobile Service Center
251 – and up	\$550	\$285 for each additional Mobile Service Center
<b>Additional Territory Area CSF Increase</b>		
For each Additional Territory Area you purchase during the term of this Agreement, your Corporate Support Fee will increase by \$50.		

Your weekly Corporate Support Fees commence two (2) weeks from your grand opening date. Beginning on the third anniversary of the Start Date of this Agreement, we may increase your Corporate Support Fee by a maximum of six percent (6%) annually.

On occasion, as the market changes in your Territory, the Clinic Count may change based upon industry and market data that we select. If the Clinic Count increases based on market changes, then upon written notice from us, you will be required to pay the higher Corporate Support Fee based on the then-current Clinic Count in your Territory. The increase in the Corporate Support Fee for each Additional Territory Area you purchase, if any, will commence upon our approval of such purchase.

## **6.5 Automated Clearing House and Electronic Funds Transfers**

You understand and agree that we will require that all Corporate Support Fees, Marketing Contribution Fees, software license fees, bookkeeping fees, and all other fees, payments and costs required to be paid to us or our affiliates, or any advertising cooperative that may be established, must be paid by Electronic Funds Transfer (EFT), unless otherwise specified by us, to ensure that the fees, payments and costs are received on the day due and/or that past due invoices are paid to us or our affiliates. You must establish a designated checking account in which you maintain at all times a balance of at least twice as great as your average weekly Corporate Support Fee and Marketing Contribution Fees and sign an agreement in the form of **Attachment 2** to this Agreement, or in any other form required by the bank to enable us to withdraw funds from the account via EFT. You will pay all fees associated with such transfers. In the event any EFT is not honored by your bank for any reason, you shall pay to us, upon demand, a non-sufficient funds fee of One Hundred Dollars (\$100) per incident.

## **6.6 Software License Fees**

Commencing your first month of operations, you agree to pay us a monthly software license fee of Two Hundred Fifty Dollars (\$250) per copy, and for each copy of the software you are required to license from us, you must sign the Software License Agreement in the form of **Attachment 5** to this Agreement or, if we require, a license agreement required by our software supplier. You are required to have one copy of our software for your Dental Fix Business and a copy for each additional Mobile Service Center you have. In addition, if you have more than one user, we will charge you an additional Two Hundred Fifty Dollars (\$250) per month per each additional user (the fees set forth in this Section are collectively referred to as “Software License Fees”).

## **6.7 Transfer Fee**

The requirements for any Transfer are set forth in Article 9 hereof. Except as specifically provided in Article 9, you must pay us a transfer fee of Fifteen Thousand Dollars (\$15,000) (“Transfer Fee”) for any Transfer. If the transferee commences and fails to successfully complete our initial training program, we will refund fifty percent (50%) of the Transfer Fee. Under no other circumstance is any portion or all of the Transfer Fee refundable.

## **6.8 Interest on Late Payments**

Any payment that we do not receive from you when due will bear interest at eighteen percent (18%) per year, or at the highest rate allowed by applicable law, whichever is less, on the date when payment is due. The fact that we impose these charges is not a waiver of our right to be paid on time.

## **6.9 Application of Payments**

We may apply any payment you make to us (which payments include without limitation all monies we obtain through EFT), at our option, to any past due debt you owe us regardless of how you state the payment should be applied. We do not have to accept payments after they are due or extend credit or otherwise finance your operations. If you do not pay all amounts when due, we may suspend our services and support until you cure the failure. We may terminate this Agreement if you fail to make any payments due to us within any applicable cure period.

## **6.10 Annual Payment Adjustments**

We may in our sole and absolute discretion, on an annual basis, increase your Corporate Support Fee, Software License Fees, Bookkeeping Fee, Marketing Contribution Fees, and other fees owed to us under this Agreement, by no more than six percent (6%) from the previous year.

## **6.11 No Withholding of Payments**

You agree not to withhold payment of your Corporate Support Fee, Software License Fees, Bookkeeping Fee, Marketing Contribution Fees, or any other amounts due to us or our affiliates on grounds of the alleged non-performance of any of our obligations under this Agreement.

## **6.12 Commencement of Payments**

Except as expressly provided in this Agreement, the Corporate Support Fee, Marketing Contribution Fees, Software License Fees and all other payments and fees due under this Agreement, shall be paid by you either weekly or monthly, as provided in this Agreement, on a day prescribed in the Manual or elsewhere. All Corporate Support Fees, Marketing Contribution Fees, Software License Fees, Bookkeeping Fees and all other fees required to be paid under this Agreement will commence as set forth in this Agreement and will continue to be due during the entire term of this Agreement.

## **6.13 Service Fee**

If we allow you to and you make any payment to us or our affiliate by credit card for any fee or required payment to us or our affiliate, we or our affiliate may charge a service fee of up to three percent (3%) of the total charge.

# **7. YOUR OBLIGATIONS**

## **7.1 Use of Trade Name and Marks**

### **7.1.1 Our Representation and Warranty**

We represent and warrant to you that we have the right to use the Trade Name and Marks throughout the United States and to sublicense or license them to you as the case may be under this Agreement.

### **7.1.2 Your Use**

Nothing in this Agreement will give you any right, title or interest in or to any of the Trade Names or Marks except as a mere privilege and non-exclusive license, during the term of this Agreement, to display and use the Trade Name and Marks according to the limitations set forth in this Agreement. You understand and agree that the limited license to use the Trade Name and Marks granted by this Agreement applies only to those Trade Names and Marks which we designate (and have not designated as withdrawn from use), and those Trade Names and Marks which we may in the future designate in writing. You agree not to represent in any manner that you have acquired any ownership or equitable rights in any of the Trade Name or Marks by virtue of the limited license granted under this Agreement or your use of the Trade Name and Marks. All uses of the Trade Name and Marks by you, whether as a trademark, service mark, trade name or trade style, will inure to our benefit. Following the expiration or termination of this Agreement, no monetary amount will be attributable to any goodwill associated with your use of the Trade Name or Marks or operation of the Dental Fix Business.



You agree that the Trade Name and Marks are our exclusive property. You agree that you will not do or permit any act or thing to be done in derogation of any of our (or our affiliates') rights in connection with the Trade Names or Marks, either during or after the term of this Agreement. You agree not to apply for or obtain any trademark or service mark registration of any of the licensed Trade Names or Marks or any confusingly similar marks in your own name. You agree that you will not, during or after the term of this Agreement, in any way dispute or impugn the validity of the Trade Names or Marks, our (or our affiliates') rights to the Trade Names or Marks, or our, our affiliates, or our other franchisees' rights to use the Trade Names or Marks.

You may only use the Trade Names and Marks in the operation of a Dental Fix Business as provided for in this Agreement, the Manual, or otherwise as required by us. You may not use any other trade names or marks in connection with operation and marketing of your Dental Fix Business. You may not use our Trade Names and the Marks as part of your legal name (corporate, limited liability company, or partnership name), although you may use it as your fictitious name of your business. You must commit no act or omission that would lead to confusion between you as franchisee and us as franchisor.

### **7.1.3 Changes in Trade Name and Marks**

We have invested time, energy, and money in promoting and protecting our Trade Names and other Marks. We do not presently intend to change them. However, rights in intangible property, such as the Trade Names and Marks are often difficult to establish and defend. Changes in the cultural and economic environment within which the System operates, third party challenges to our rights in the Marks, or other factors may make it desirable or necessary to change the Trade Names and Marks. We therefore reserve the right to change our Trade Names and Marks and the specifications for each when we believe, in our reasonable discretion, that the changes will benefit the Franchise Network. You must promptly conform to any such changes. You will be responsible for the costs associated with the ordering of new signs and other trade dress, letterhead, envelopes, business cards, and all other costs associated with the name change.

### **7.1.4 Marketing Materials**

All marketing and promotion that you undertake must be truthful, conform to the highest standard of ethical advertising and comply with any applicable laws and regulations. You must submit to us copies of all promotional and advertising materials that you propose to use at least fourteen (14) days before the proof approval deadline. We will review the materials and will notify you whether we approve or reject them. We may withhold our approval for any reason in our discretion. If we do not notify you of approval or rejection before the proof approval deadline, the materials are disapproved. Even if we approve specified materials, we may later withdraw our approval if we reasonably believe it is necessary to make the advertising conform to changes in the System or to correct unacceptable features of the advertising. If we prepare marketing materials, you must purchase such materials from us or our designee.

### **7.1.5 Legal Protection**

You must notify us immediately in writing if you become aware of any unauthorized use of our Trade Names, Marks, or System or any part thereof. You must promptly notify us in writing of any claim, demand, or suit against you or against your principals in connection with your use of the Trade Names, Marks or System. In any action or proceeding arising from or in connection with any such claim, demand or suit, we may select legal counsel, and we shall have the right to control the proceedings. We will defend you against any third party claim, suit or demand arising out of your proper use of the Marks, as authorized by us and in accordance with the terms of this Agreement. If we determine that you have not used the Trade Names or Marks in accordance with the Franchise Agreement, you must bear the cost of defense, including

the cost of any judgment or settlement, as well as any of our attorney's fees and costs. If there is any litigation due to your use of the Marks or Trade Names, you agree to sign all documents and do all things as may be necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action.

## **7.2 Quality Assurance; Premises and Mobile Service Center; Beginning Operations; Compliance with Manual**

### **7.2.1 Survival of Non-Disclosure/Non-Competition Covenants**

Your obligations and the obligations of Related Parties concerning confidentiality and the agreement not to compete with us, contained in this Agreement and **Attachment 3** to this Agreement, will survive the termination, expiration or non-renewal of your Dental Fix Franchise Agreement or any Transfer.

### **7.2.2 Premises and Mobile Service Centers**

You must purchase or lease sufficient vehicles to serve as your Mobile Service Centers with the specifications we require, and fitted with our custom equipment package, tools, required inventory and image elements.

You must purchase and have the Mobile Service Center delivered to our corporate headquarters at least 7 days, but not more than 14 days, prior to the first day of your scheduled initial training program. If you do not have the Mobile Service Center delivered to our headquarters at least 7 days prior to the first day of your scheduled initial training program, then we will charge you an expedited Mobile Service Center buildout fee of Five Thousand Dollars (\$5,000) ("Expedited Buildout Fee") if we, in our sole discretion, decide to expedite the buildout of and ready your Mobile Service Center for the initial training program. If we decline to expedite the buildout of your Mobile Service Center or are unable to complete the buildout prior to the first day of your scheduled initial training program, for any reason(s), then we may, in our sole discretion, require you to reschedule your initial training program, in which case you will be charged the \$1,000 cancellation fee.

During the term of this Agreement, you may not use the Mobile Service Centers for any purpose other than the operation of your Dental Fix Business.

You must secure a location from which to operate your Dental Fix Business with (1) adequate parking; (2) secure, dry, clean storage for inventory and supplies adequate for your Territory; and (3) office and storage space for records and files. You may operate your Dental Fix Business from your home or office, but you will need a secure, dry, clean storage area for inventory and supplies adequate for your Territory and storage space for records and files.

You must buy and maintain, according to our specifications in the Manual, a computer running the software we designate, telephone system, fax machine, printer and high speed digital access to your computer, a GPS system to be installed on each Mobile Service Center, and all other equipment and materials required by the System and the Manual, as amended from time to time. All services you provide to customers must be logged into the computer software we require you to purchase. We or our designated supplier may charge you a GPS System Fee of up to Fifty Dollars (\$50) per month, per Mobile Service Center, to maintain and support the GPS system that is required to be installed on each of your Mobile Service Centers. We may, in our discretion, increase the GPS System Fee each year up to a maximum of six percent (6%) from the previous year.

You must order all parts and supplies used in connection with your Dental Fix Business from us or our designated or approved supplier in the manner we specify in the Manual or otherwise in writing to you from time to time.

If we supply guidelines concerning premises, equipment, products, supplies or any other matter related to your business, you must follow them. You must advise us in writing immediately if your Mobile Service Centers or equipment are not located at the address listed on **Attachment 1** to this Agreement.

### **7.2.3 Beginning Operation**

You shall commence the operation of your Dental Fix Business within 240 days from the Start Date and no later than 7 days after the receipt of our written approval to commence operation. You may not begin to operate your Dental Fix Business until we consent in writing. By consenting that your Dental Fix Business may begin operation, we do not guarantee or represent that it will be successful.

In the event you fail to commence operation of your Dental Fix Business within 240 days from the Start Date, we shall have the unconditional right, upon notice ("Notice") to you, to immediately terminate any and all of your rights granted under this Agreement to the Territory specified in Attachment 1 to this Agreement; in which case, all such rights shall revert back to us. In the event we exercise such right, you agree that you shall no longer have any right to operate your Dental Fix Business in the Territory, have no other rights or obligations in or to the Territory, and that we shall have the absolute right to sell a Dental Fix Business franchise(s) for the Territory, all as of the date of delivery of the Notice. You will have 180 days from the delivery of the Notice to select another then available territory in any State in which we may then grant franchises, and you will have 90 days from the date we provide our written consent of the new territory to commence operation of your Dental Fix Business. We must first consent in writing to the proposed new territory, and, if we consent, upon such consent you must sign an amended Attachment 1 and/or such other documents as may be necessary to identify and confirm our consent to the new territory. If you fail to select another available territory we consent to within 180 days from the date of delivery of the Notice, or fail to commence operation of your Dental Fix Business within 90 days from the date we provide our written consent of the new territory, we shall have the right to terminate this Agreement upon notice without providing you with any opportunity to cure.

### **7.2.4 Compliance with Manual**

You must operate your Dental Fix Business in complete compliance with the standards and specifications stated in the Manual. We may make changes in our standards and specifications at any time and in our sole discretion in the Manual or otherwise in writing. Such changes may require the purchase of new equipment, supplies, software or other goods, completion of additional training or other costs to you. We will require such changes to meet the technological and market demands of the dental equipment service and supply industry for the benefit of the Franchise Network. During the first twelve (12) months of this Agreement, you will not be required to make additional expenditures for new equipment newly added to the System. You must promptly conform to the modified standards and specifications at your own expense. If you have a paper copy of the Manual, you must at all times keep your copy of the Manual current by adding any revised pages we give you and discarding obsolete pages. If there is any dispute as to the requirements of the Manual at any point in time, the terms of our master copy of the Manual will control.

Your Dental Fix Business must be confined to the offer and sale of only such products, equipment, supplies and services we approve or designate, and as set forth in our Manual or otherwise. You must offer from your Dental Fix Business all products, equipment, supplies and services we require. We have the right to make modifications to these items from time to time in our sole discretion, and you agree to

immediately comply with any modifications. You may not offer or sell any other products, equipment, supplies or services from your Dental Fix Business without our prior written consent, which we may withhold for any reason in our sole discretion.

#### **7.2.5 Customer Satisfaction**

We may use various techniques to obtain customer feedback concerning your services. If the feedback indicates that your performance does not meet our current standards, or if we receive customer complaints about your Dental Fix Business, you agree to immediately take such steps as are necessary to address and correct these performance and service deficiencies. In addition, in the event a customer of your Dental Fix Business contacts us to lodge a complaint, we reserve the right to address the customer's complaint to preserve goodwill and prevent damage to the Dental Fix brand. Our right to address customer complaints may include refunding money to the complaining customer, in which case you must reimburse us for these amounts upon demand. We may contact any customer of your Dental Fix Business at any time for any purpose.

#### **7.2.6 Minimum Annual Performance Standard**

You must exercise your best efforts to maximize the sales of your Dental Fix Business in your Territory. These efforts may include but are not limited to daily strategy and planning, cold calling and marketing to offices, participation in on-going training exercises, and periodic conference calls. There is no precise revenue quota, but we will evaluate your performance no less than annually. If your revenues fall below a minimum threshold that we determine in our sole and absolute discretion, we have the right, but not the obligation, to send our operational personnel to provide additional training, guidance, and/or recommendations, as we may deem appropriate, and you must pay for such personnel's expenses including travel, lodging and meals. You must comply with our personnel's recommendations to improve your Dental Fix Business within the time period required.

#### **7.2.7 Special Repairs**

Clinics use some equipment that you will not be trained to repair in our initial training program. You must, nonetheless, use your best efforts to sell repairs and service of such equipment to Clinics in your Territory and ship equipment to us or our designated provider for repair or service. Repairs, pricing and logistics will be as stated in the Manual.

#### **7.2.8 Product and Service Warranty**

You must offer to customers and honor at your expense our standard warranty on products and services which is contained in the Manual and may, as such, be revised from time to time in our discretion. In the event that a warranty claim involves a defect in a part that we supplied, we will replace the part. All other expenses associated with such a claim will be borne by you. In the event of a warranty claim associated with an item that you sent to us for repair, we will repair or replace the item as we see fit.

#### **7.2.9 Maintenance and Upgrades**

You must keep the Premises, your Mobile Service Centers, and all other business equipment clean, orderly and in good repair. Periodically, we may require you to upgrade your Mobile Service Centers and equipment at your expense to meet our then-current standards and specifications. We may require you to replace each Mobile Service Center when it has been in service for five (5) years. You must promptly comply with any such repair, upgrade or replacement request at your sole expense.

#### **7.2.10 Professional Conduct**

In all your dealings with us, your customers, your employees, your suppliers and others, you must adhere to the highest possible standards of professional conduct, honesty, integrity, legal and ethical behavior, dependability, good faith and fair dealing. You may not engage in any conduct that, in our reasonable opinion, may injure the goodwill associated with the Trade Names and Marks. You must exert your best efforts to promote and maintain the excellent reputation of the Dental Fix Business and the Franchise Network.

To promote the goodwill and reputation of the Trade Names and the Marks and overall image and good name of the Franchise Network, you shall not permit anyone to operate a mobile unit: (1) who is out of uniform (as described in the Manual) or, (2) who has been convicted of or pleaded guilty or no contest to a felony or any violation involving driving and alcohol or has his driver's license suspended or revoked. Notwithstanding the forgoing, however, we will not have the power to hire or fire your employees, and you alone control your employees' wages, hours, assignments, hiring, firing and any benefits.

#### **7.2.11 Inspections**

You must allow our representatives to enter and inspect your Mobile Service Centers without prior notice, and must allow our representatives to inspect any location where assets of or records of your Dental Fix Business are located with reasonable advance prior notice, during normal business hours to inspect, audit, photocopy, photograph and videotape your Dental Fix Business operations and records and to interview your employees and customers. You must correct any deficiencies in your operation within the reasonable time specified in any written notification to you of such deficiencies. If you do not take such effective steps to bring your operation up to our standards, your failure to do so will be a material breach of this Agreement. In addition, upon reasonable request, you must furnish to us, in whatever format we require, all customer information and records for your Dental Fix Business.

#### **7.2.12 Notification of Legal Proceedings**

You must notify us promptly if you are served with a complaint in any legal or administrative proceedings or demand for arbitration that is in any way related to your Business by any private party or if you become aware that you are the subject of any complaint to or by or investigation by a governmental authority or consumer protection agency related to your Business.

### **7.3 Compliance with Laws, Rules and Regulations**

You agree to operate the Dental Fix Business in strict compliance with all applicable laws, rules and regulations of all governmental authorities; comply with all applicable wage, hour and other laws and regulations of federal, state and local governments; prepare and file all necessary tax returns; and, pay all taxes imposed on you related to the Dental Fix Business. You agree that you will be responsible for compliance with all applicable laws, rules and regulations, including, without limitation, the Americans with Disabilities Act.

You shall obtain all required licenses, permits, registrations and other required forms of governmental approval for you to offer and sell the products and services which now or in the future are or become part of the System; shall maintain such licenses and permits in full force and effect and good standing throughout the term of this Agreement; and, shall post same as required by law. It is your sole responsibility to determine the licenses, permits or registrations that are required for you to operate the Dental Fix Business in the State in which your Territory is located. We make no representation or warranty of any kind that you will be able to obtain all required approvals, consents and licenses. You shall forward

copies of all health, sanitation or other regulatory agency reports to us immediately upon receipt thereof. You shall take prompt and effective action to correct any violation set forth in a notice issued by any governmental or municipal authority concerning such licenses and permits.

#### **7.4 Personnel and Full Time Efforts**

You or your Designated Principal must devote full time efforts to the management and operation of your Business. You must ensure that your employees preserve good customer relations and comply at all times with this Agreement and the Manual.

#### **7.5 Financial Information and Bookkeeping Services**

##### **7.5.1 Records**

You must maintain and preserve accurate financial books, records and tax returns, including related supporting material (such as cash receipts, and credit and charge records), and any other books and records prescribed by the Manual, for your Dental Fix Business for at least six (6) years.

##### **7.5.2 Reports and Use of Supplier/Bookkeeping Fee**

At your option, you may use us and/or our designated supplier for bookkeeping and reporting services, and you shall pay us for such services a fee of Three Hundred Dollars (\$300) per month. For each additional Mobile Service Center you have, we will charge you an additional Three Hundred Dollars (\$300) per month per Mobile Service Center (the “Bookkeeping Fee”). In addition, if your Dental Fix Business has not been in operation for the entire fiscal year for which we or our designated supplier prepares your Dental Fix Business’s income tax return statements, we or our designated supplier will charge you an additional fee of not more than Fifty Dollars (\$50) for each month of the tax return fiscal year your Dental Fix Business was not in operation. You must timely provide us and/or our designated supplier the financial reports and data required to provide such bookkeeping and reporting services and in the format we may require. We or the designated supplier will use the reports and data that you supply to us and/or the designated supplier, and will produce periodic profit and loss statements and prepare and file income tax returns for your Dental Fix Business only. For that flat fee, we or the designated supplier will also provide payroll service for up to one employee including calculation of gross pay, net pay, tax withholding and execution of direct deposit payments to such employee. If you have more than one employee, you may choose to hire us or our designated supplier to provide payroll service for those additional employees at an additional fee. The additional fee for that service will be comparable to fees charged by payroll service companies in the locale of our headquarters for businesses of similar size. We or our designated supplier may charge you additional fees for other optional bookkeeping and reporting services as we or our designated supplier may offer, from time to time, as set forth in the Manual or otherwise. If you elect to use us and/or our designated supplier for bookkeeping and reporting services for your Dental Fix Business, the Bookkeeping Fee will commence your first month of operation or the first month in which you elect such services.

We may subcontract all or part of the bookkeeping and reporting services. We may disclose or use the data derived from these reports and other financial statements for your Dental Fix Business for any purpose we deem appropriate, in our sole discretion.

The Bookkeeping Fee may, in our sole discretion, be increased annually by a maximum of six percent (6%).

You must buy or lease computer and communications equipment and software that meet specifications stated in the Manual to create financial reports and transmit them to us electronically.

You must also submit to us or our designated supplier upon request copies of all your federal, state, and local income tax returns, whether or not you elect to use us and/or our designated supplier for bookkeeping and reporting services for your Dental Fix Business. If you do not elect to use us and/or our designated supplier for bookkeeping and reporting services for your Dental Fix Business, you will be solely responsible for performing all recordkeeping duties and bear the costs for performing all recordkeeping duties and services for your Dental Fix Business. In addition, you must submit to us upon request copies of your profit and loss statements, balance sheets, bookkeeping and accounting records, customer orders, invoices and other general business records for the time period we request. All information that you furnish to us may be shared with a designated supplier, and all information furnished by you to a designated supplier may be shared with us. We may use this data to confirm that you are complying with your obligations under this Agreement, to formulate earnings and expense information to show to prospective franchisees and to advise you on operations. We will not, however, disclose your financial information with your identity attached or included, without your written permission or a valid order of a court or proper officer.

## **7.6 Insurance**

You must purchase and maintain a policy or policies of commercial general liability, commercial auto insurance, property insurance, worker's compensation (if you have employees) and any other insurance required under applicable law or that we may periodically require. All such insurance policies must be written by an insurance company reasonably satisfactory to us with a Best rating of "A-" or better. To the extent legally permissible, all required policies must name Dental Fix RX, LLC as an additional insured. Each insurance policy must contain a waiver of all subrogation rights against us, our affiliates and their successors and assigns and must provide for thirty (30) days prior written notice to us of a policy's material modification, cancellation or expiration. Each insurance policy must be satisfactory to us in form, substance and coverage. Failure to maintain the insurance required under this Agreement and to provide us evidence of the insurance is a material breach of this Agreement. If you fail to obtain the insurance required by this Agreement and as required by us from time to time, we reserve the right, in our sole discretion, to obtain insurance on your behalf and you agree to promptly reimburse us for the cost of such insurance. Upon demand, you agree to immediately pay us such charges together with a twenty percent (20%) administrative fee for our expenses in obtaining insurance on your behalf.

You must obtain all insurance policies required under this Agreement and provide us with copies of your certificates of insurance prior to attending the initial training program. Upon our request, you shall supply us with copies of all insurance policies and proof of payment. Upon renewal of all insurance policies, you shall send us current certificates of insurance and copies of all insurance policies.

We may increase the minimum coverage requirements as necessary to reflect inflation or other changes in circumstances. The insurance maintained by us does not in any way limit or affect your obligation to obtain and maintain the following policy or policies in the amounts specified below. Our performance of your obligations does not relieve you of liability under the indemnity provisions set forth in this Agreement.

### **7.6.1 General Liability Insurance**

Your commercial general liability policy must include the following minimum limits and must provide coverage for us, as an additional insured, on a primary and non-contributory basis notwithstanding any other insurance and whether or not collectible:

<b>Limits</b>	
Each Occurrence	1,000,000
Damage to Rented Premises	100,000
MED EXP (any one person)	5,000
Personal & ADV Injury	1,000,000
General Aggregate	2,000,000
Products - COMP/OP AGG	1,000,000

Under a general liability insurance policy, the insurer is obligated to pay the legal costs of a business in a covered liability claim or lawsuit. Covered liability claims include bodily injury, property damage, personal injury, and advertising injury (damage from slander or false advertising). This includes injuries at your place of business, or if an employee damages property or injures someone at a client's site. The insurance company also covers compensatory and general damages. Punitive damages are not covered under general liability insurance policies because they are considered to be punishment for intentional acts.

In the event an additional Mobile Service Center(s) is added to your Territory, you must purchase an umbrella policy with total coverage of at least One Million Dollars (\$1,000,000) per van, which provides excess auto and general liability coverage. Such umbrella policy shall include Dental Fix RX, LLC as an additional insured and shall provide coverage for us, as an additional insured, on a primary and non-contributory basis notwithstanding any other insurance and whether or not collectible.

### **7.6.2 Commercial Auto Insurance**

This insurance is mandatory whether or not the vehicle is owned or leased and protects the insured against losses involving the use of their commercial vehicles.

This type of business insurance covers a variety of vehicles and is also referred to as commercial car insurance, truck insurance, or fleet insurance. Commercial auto insurance, like your personal auto policy, provides similar coverage, such as liability, collision, comprehensive, medical payments (or personal injury protection) and uninsured motorist's coverage. However, there are also differences between a commercial auto insurance policy and your personal auto policy that may include eligibility, definitions coverage, exclusions and limits.

The auto policy must state One Million Dollars (\$1,000,000) combined single limits naming Dental Fix RX, LLC as an additional insured.

### **7.6.3 Other Insurance**

You must also carry property insurance with fire and lightening, extended coverage, theft, vandalism and malicious mischief, inland marine insurance, and flood insurance (if your Dental Fix Business is in a designated flood hazard area) on the Mobile Service Center(s) and all fixtures, equipment, supplies, and other property used in the operation of the Dental Fix Business, for not less than 100% of the replacement value of same.

In addition, if you have employees and if required by applicable law, you must maintain policies of workers' compensation insurance affording statutory coverage, employers liability coverage subject to a limit of no less than \$1,000,000 each employee, \$1,000,000 each accident and \$1,000,000 policy limit,



unemployment insurance, and/or disability insurance in such amounts as prescribed by law in your Territory, and any other types of insurance required by applicable law.

#### **7.7 Payment of Indebtedness**

You must pay promptly when due all taxes and debts that you incur in the conduct of your Dental Fix Business, particularly debts to us and to our approved or designated suppliers. You and your Related Parties must remain current in any financial responsibilities to your lessor and to us and our Related Parties.

#### **7.8 Assignment of Listings**

You must sign **Attachment 4** to this Agreement, assigning us rights to the telephone numbers, email addresses, URLs and all other listings you use as a Franchisee or in any way associated with your Dental Fix Business, effective upon termination, expiration or non-renewal of this Agreement.

#### **7.9 Guaranty and Subordination**

You, your spouse, and any person or entity holding at least a twenty percent (20%) interest in you or your Dental Fix Business, must sign **Attachment 6** to this Agreement, the Personal Guaranty and Subordination Agreement.

### **8. RELATIONSHIP OF PARTIES**

#### **8.1 Interest in Marks and System**

You may not at any time do or cause to be done anything contesting or impairing our interest in our Trade Names, Marks or System. You have not been granted any rights in our Trade Names, Marks or System except for your right to use them according to the express terms of this Agreement. We retain the right to grant other franchises or licenses to use the Trade Names, Marks and System on any terms that we would like, subject only to your rights described in this Agreement.

#### **8.2 Independent Status**

You are an independent contractor and must make this fact clear publicly in your dealings with suppliers, lessors, government agencies, employees, clients, customers, and others. You must rely on your own knowledge and judgment in making business decisions, subject only to the requirements of this Agreement and the Manual. This Agreement does not create a fiduciary relationship, joint venture, partnership, or agency relationship between you and us, and neither party to this Agreement is an employee, agent, servant, partner or joint venture of the other; meaning that, except as expressly provided for in this Agreement, no party to this Agreement has the authority, implied, apparent or expressed, to lawfully bind the other with respect to any matter. No employee of yours shall be deemed to be an employee of ours. Neither you nor any of your employees whose compensation for services is paid by you may, in any way, directly or indirectly, expressly or by implication, be construed to be an employee of ours for any purpose, including, but not limited to, with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or fire your employees, and you alone control your employees' wages, hours, assignments, hiring, firing and any benefits. You may not use the Dental Fix Trade Names or Marks as part of your legal name (corporate, limited liability company, or partnership name), although you may use it as part of your fictitious name of your business.

### **8.3 Display of Status**

Business cards, stationary, purchase order forms, invoices, leases, tax returns, and other documents you use in your business dealings with suppliers, lessors, government agencies, employees, and clients must clearly identify you as an independent legal entity operating under a Dental Fix franchise.

### **8.4 Confidentiality and Related Party Restrictions**

The information, ideas, forms, marketing plans, and other materials we disclose to you under this Agreement, whether or not included in the Manual, are our confidential and proprietary information and trade secrets. You agree to maintain the confidentiality of all such material. You may not disclose any such information to any third party, except to your employees and agents as necessary in the operation of your Dental Fix Business and except as we authorize otherwise in writing. It is your responsibility to ensure the compliance of your Related Parties (which includes without limitation all your employees) with the provisions of this section. Each of your Related Parties, including, but not limited to, all of your owners and all of your employees, must sign a written nondisclosure agreement and noncompetition agreement, in the form of **Attachment 3** to this Agreement, when you sign this Agreement. You must obtain a nondisclosure and noncompetition agreement in the same form from each new Related Party with which you become affiliated during the term of this Agreement within five (5) days from such affiliation and promptly send a copy of that nondisclosure agreement to us. This provision shall survive termination or expiration of this Agreement.

### **8.5 Indemnification**

You agree to indemnify and hold us harmless from all claims, obligations and damages, directly or indirectly arising out of your Dental Fix Business' operation, the business you conduct under the Agreement or your breach of the Agreement. For the purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, incidental, punitive, or otherwise) and costs that we incur in defending any claims against us, including, without limitation, reasonable accountants', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. We may defend any claim against us at your expense and agree to settlement terms or take other remedial, corrective, or other actions in our sole discretion. We have the right to designate attorneys that you must retain, at your expense, to defend any claims subject to this indemnification provision.

We agree to indemnify and hold you harmless from all direct expenses and liabilities arising from or in any way connected with any third party claim that your operation of a Dental Fix Business in compliance with this Agreement infringes its intellectual property rights or misappropriates its trade secrets. If you are made a party to a legal proceeding in connection with a claim of this type, we will hire counsel to protect our interests and will defend you at our own expense. We may enter into any settlement in our sole discretion and any settlement we negotiate will bind you. This provision shall survive termination or expiration of this Agreement.

### **8.6 Covenants Not to Compete**

You acknowledge and agree that you will receive valuable training and Confidential Information that you would otherwise not receive or have access to but for the rights licensed to you under this Agreement. Unless otherwise specified, the term "you" as used in this Section 8.6 includes, collectively and individually, you, your Guarantors, your Related Parties, officers, directors, members, managers, partners, and holders of any ownership interest in you (if you are an entity). You, therefore, agree to the following noncompetition and non-solicitation covenants:

**(a) In-Term Covenant**

During the term of this Agreement, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity (i) divert or attempt to divert any present or prospective Dental Fix customer to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System, (ii) employ or seek to employ any person who is or has been within the previous thirty (30) days employed by us or an affiliate of ours, or otherwise directly or indirectly induce the person to leave his or her employment, or (iii) own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business.

**(b) Post-Term Covenant**

For a period of two (2) years after the termination, expiration, Transfer or non-renewal of this Agreement, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity:

- i. solicit or otherwise attempt to induce (by combining or conspiring with, or attempting to do so), or influence in any other manner any of our employees, officers, directors, agents, consultants, representatives, contractors, suppliers, distributors, franchisees, or other business contacts (“Business Affiliates”) to terminate or modify their business relationship with us or to compete against us or the Dental Fix Franchise Network;
- ii. as owner, officer, director, employee, agent, lender, lessor, broker, consultant, franchisor, franchisee, or in any other similar capacity whatsoever connected in any manner with the ownership, management, operation or control, or conduct of a Competitive Business that is located or markets: (x) within your Territory, (y) within forty (40) miles of any Practitioner in your Territory, or (z) within the Territory of any Dental Fix franchisee or other party in the Dental Fix Franchise Network. As stated also in Section 8.4, you must obtain the individual written agreement of each of your Related Parties to the provisions of this section in the form of Attachment 3 of this Agreement.
- iii. in any manner interfere with, disturb, disrupt, impair, diminish, or otherwise jeopardize our System, our business, or the business of our franchisees.

For the purposes of this Agreement, a “Competitive Business” is any business which is engaged wholly or partially, directly or indirectly, in operating a business which provides the same or similar services or sells the same or similar products as Dental Fix Businesses, including, but not limited to, a business that sells consumable products and/or provides equipment maintenance, equipment service and repair, equipment sales, and handpiece repair services to Practitioners.

**(c) Reasonableness; Modification**

You agree that the above covenants are reasonable for the protection of the Dental Fix Franchise Network and are reasonable with respect to your future endeavors. If all or any portion of the covenants not to compete set forth in this Article are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the court or agency will be empowered to, and shall, revise and/or construe the covenants to fall within permissible legal limits, and shall not by necessity

invalidate the entire covenants. You expressly agree to be bound by any lesser covenant subsumed within the terms of this Article as if the resulting covenants were separately stated in and made a part of this Agreement. You also agree that the length of time in subpart (b) above will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement.

**(d) Irreparable Harm**

You agree that a violation of any of the above covenants by you or any other person governed by these provisions will cause the Dental Fix Franchise Network irreparable harm and that we are entitled to and you agree to entry of temporary, preliminary and permanent injunctive relief enforcing any such covenant, without the need to post bond.

**(e) Independent Covenants**

The covenants contained in this Section 8.6 and Section 8.7 below shall be construed as severable and independent of any other covenant or provision of this Agreement, and may be enforced by our successors or assigns.

**8.7 Non-Solicitation**

During the term of this Agreement and for two (2) years after its termination, expiration or non-renewal, you may not disrupt, damage, impair, or interfere with our business or that of any of our franchisees by directly or indirectly soliciting our or their employees to work for you or for any individual or company then in competition with us, with them or with the Franchise Network.

**9. TRANSFER OF YOUR BUSINESS**

**9.1 Purpose of Conditions for Approval of Transfer**

We signed this Agreement in reliance on your integrity, ability, experience and financial resources. You may not sell, assign or transfer the Agreement, any ownership interest in you (if you are an entity), or your Dental Fix Business operated under this Agreement, or any part of or interest in either this Agreement or your Dental Fix Business, unless you have first obtained our written consent, which may not be unreasonably withheld. To ensure that no Transfer jeopardizes the Trade Names, Marks, or our interest in the successful operation of your Dental Fix Business, we will consent to a Transfer only if you comply with the provisions of Sections 9.2 through 9.5 of this Agreement.

**9.2 Notice of Intention to Transfer**

If you would like to Transfer this Agreement, your Dental Fix Business, and/or an ownership interest in you (if you are an entity), you must first submit to us: (a) the form of transfer application we then use, if any, completed by the prospective transferee, and (b) a written notice describing all the terms and conditions of the proposed Transfer.

**9.3 Consent by Us and Right of First Refusal**

We will advise you in writing of our position concerning the proposed Transfer. We may either consent in writing to the Transfer, refuse to consent, or purchase your Business from you ourselves on the same terms and conditions as those offered by proposed third party. We may seek and you must provide us information so we can ascertain the nature and details of the offer. Silence is not consent. Our consent

to the Transfer is merely a consent to the proposed third party as a Dental Fix Franchisee and is not meant as consent to all of the terms and conditions of your agreements and arrangements with the proposed transferee. Our consent to a particular Transfer will not be consent to any other or subsequent Transfer. If any terms or conditions in the notice, or any terms or conditions in the documents memorializing the agreement between you and the proposed third party contradict any of the terms of this Agreement, the terms of this Agreement shall control and shall supersede any such terms and conditions.

#### **9.4 Conditions for Consent to Transfer**

Our consent to your proposed Transfer will be subject to the following conditions:

- (a) Our determination, based on the information that you submit and any other information available, that the proposed transferee meets all of our criteria of character, business experience, financial responsibility, and net worth;
- (b) Payment of all your outstanding debts to us and our Related Parties;
- (c) Our determination that you and your Related Parties are in full compliance with all of the terms of this Agreement, any other agreements between us or our Related Parties on the one hand and you or your Related Parties on the other and with the Manual;
- (d) Signing by the transferee of our then current form of franchise agreement and our then current form of personal guarantee and signing by the transferee's Related Parties of required ancillary agreements in the forms attached to the applicable franchise agreement. The term of the new franchise agreement will expire on the date of expiration of this Agreement. The execution of the new franchise agreement will terminate this Agreement, except for the guarantees of your Related Parties and the post-termination and post-expiration provisions under this Agreement;
- (e) Your payment in full of the Transfer Fee stated in Section 6.7 of this Agreement;
- (f) Successful completion by the transferee of the Dental Fix initial training program to our satisfaction;
- (g) Signing by you and your Related Parties that are guarantors to this Agreement of a release of all claims that you and your Related Parties have or may have against us or our Related Parties in a form satisfactory to us; and
- (h) You must comply with the terms of the post-termination covenants not to compete set forth in this Agreement, commencing on the effective date of the Transfer, and agree to continue to be bound by the confidentiality obligations set forth in this Agreement.

#### **9.5 Changes of Ownership Not Considered to be Transfers**

As used in this Agreement the word "Transfer" does not mean an assignment to:

- (a) Any trustee, guardian, executor or conservator for the account and benefit of a spouse, ancestor, or descendant either of you, your Designated Principal or your principal owner;
- (b) Any business entity if the beneficial ownership of the transferee immediately after the assignment is the same and in the same proportions as the beneficial ownership of the transferor immediately before the assignment. For the assignment to be effective, you, if you are an individual franchisee, or each of your owners, if you are not, must (1) first sign and deliver a personal guaranty to us, (2) submit to us information on any proposed change of this type in the equity ownership of the franchisee, the identity and address of all proposed owners of any interest in the franchise or the franchisee, the percentage of ownership, and the address where business records are maintained and (3) enter into a new franchise agreement, amended to eliminate the initial franchise fee and shorten the term to the remainder of the original agreement's term.

## **9.6 Changes of Ownership Upon Death or Total Disability**

If you or your principal owner or Designated Principal dies or suffers a Permanent Disability, as defined below, while this Agreement is in effect, the individual's heirs, successors or beneficiaries will have ninety (90) days within which to complete initial training to our satisfaction (or appoint one of their number to do so) and pay the then current training fees. If we approve the heirs, successors or beneficiaries or any of them as transferees of the Business, we will waive any transfer fee in connection with the Transfer. If we advise the heirs or beneficiaries in writing that we do not approve them as transferees of the franchise, or if we do not approve or disapprove the Transfer within sixty (60) days following the death or Permanent Disability, your heirs or beneficiaries may have one hundred twenty (120) additional days from the date of disapproval of the Transfer within which to find and notify us of a proposed Transfer to a qualified transferee. If your heirs or beneficiaries do not submit a qualified transferee within the specified period, the Agreement will automatically terminate at the end of that period unless we have granted a written extension of time.

"Permanent Disability" means that the individual is unable, through mental or physical infirmity, to participate actively in the business for six (6) calendar months or more during a consecutive twelve (12) month period.

## **9.7 Assignment by Us**

We may assign this Agreement or any rights or obligations created by it without your consent, provided that the assignee expressly agrees in writing to assume our obligations under this Agreement.

## **9.8 No Encumbrances**

You shall not have the right to pledge, encumber, hypothecate, assign or otherwise give a third party any security interest in this Agreement, the Trade Names or Marks, other Dental Fix Rx, LLC trade names, and copyrighted materials, or your Dental Fix Business or any of its assets in any manner whatsoever without our express written permission, specifically stating that the encumbrance is permissible and describing the specific nature of the encumbrance. Any attempted encumbrance made in violation of this section is a material breach of this Agreement and voids the security interest. You expressly agree to notify the beneficiary or holder of any attempted encumbrance of the restrictions on encumbrances in this Agreement.

## **9.9 Purchase of Your Business by Us**

In addition to our other rights to terminate this Agreement under certain circumstances when you are in default, we may, at any time, purchase all of the assets of your Dental Fix business from you provided that: (1) we pay you in immediately available funds 30% of your gross sales the previous twelve months; (2) we assume your prospective obligations under contracts with customers, landlords and suppliers of goods and services (provided that we will not be required to assume any obligations incurred for services or rights provided prior to the transfer of title of the assets to us); and (3) we reimburse you for the amount of any prepayment penalties that you may incur by reason of terminating financing arrangement you have theretofore made in connection with any of these assets. We will deliver written notice to you of our intention to purchase the assets of your Dental Fix Business specifying the date, no sooner than sixty (60) days from the date of the notice, when the conveyance shall close. On the closing date, you shall (1) sign appropriate transfer documents to convey, sell, assign and transfer all of your rights, title and interest in and to the assets to us or our designee, (2) certify and sign such representations, warranties and covenants

concerning yourself and the Dental Fix Business as we may reasonably request, and (3) deliver a general release, in form satisfactory to us, of any and all claims against us and our Related Parties.

With respect to any transfer of the Franchise Agreement, if the parties cannot agree on the fair market value, we will hire an appraiser acceptable to both of us who will determine the fair market value.

#### **9.10 Resale Marketing Services**

If you desire to sell and transfer your Dental Fix Business, then, upon your request and our approval, which we may withhold in our sole and absolute discretion, we or an affiliate or designee will advertise and market your Territory for resale, in the manner and for such period of time as we deem appropriate in our sole and absolute discretion, but in no event longer than a period of six (6) months unless otherwise agreed in writing by us. If we refer any prospective buyers to you (“Dental Fix Referrals”), you shall be solely responsible for negotiating and consummating the transfer and sale of your Dental Fix Business to such Dental Fix Referral or any other prospective buyer. In the event you sell your Dental Fix Business, or any assets thereof, to a Dental Fix Referral, you agree to pay us a Resale Commission Fee in the amount of Ten Thousand Dollars (\$10,000), which shall be paid to us in full from the proceeds of the sale at the closing. You understand and acknowledge that if we agree to provide such resale marketing services to you, we make no representation, promise or guarantee that we will be able to find any prospective buyers to purchase your Dental Fix Business. Nothing in this Section waives or effects the transfer conditions, requirements and other provisions set forth in this Article 9.

### **10. TERMINATION OF AGREEMENT**

#### **10.1 Termination by the Parties**

This Agreement may be terminated by the written agreement of both parties; provided, however, you must provide us with at least six (6) months’ prior written notice of your intent to terminate the Agreement and must:

- (i) immediately pay us a fee of Ten Thousand Dollars (\$10,000) for administrative and legal expenses we will incur in connection with your request to terminate;
- (ii) have all of your financial statements up to date as of the notice and through the effective date of termination;
- (iii) sign, along with your Related Parties that are guarantors to this Agreement, a general release of all claims that you and your Related Parties have or may have against us or our Related Parties in a form satisfactory to us; and
- (iv) comply with your post-termination obligations, as set forth in Sections 8.4 - 8.7 and 10.4.

#### **10.2 Termination by Us**

##### **10.2.1 Termination Upon Notice Without Opportunity to Cure**

We also have the right to terminate this Agreement upon notice with no opportunity to cure as a result of certain defaults. You shall be deemed to be in default and we may, at our option, terminate this Agreement and all of your rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon the delivery of written notice to you by us, upon the occurrence of any of the following events:

10.2.1.1 You have made or make any intentional material misrepresentation or omission in your application for, or in acquiring, the license and franchise rights, or in operating the Dental Fix Business;

10.2.1.2 You make or attempt to make any Transfer in violation of this Agreement;

10.2.1.3 You abandon the franchise relationship or abandon the franchise by failing actively to operate the Dental Fix Business for ten (10) or more consecutive calendar days, unless you close the Dental Fix Business for a purpose we approve or your failure to operate is due to fire, flood, other Acts of God or other similar causes beyond your control;

10.2.1.4 You knowingly fail to maintain any required licenses, permits, or certifications to open or operate the Dental Fix Business, or fail to comply with any federal, state, or local law regulation,

10.2.1.5 You are or have been convicted of, or plead guilty or plead no contest to a felony, or a violation which involves driving, alcohol or drugs, or your driver's license is suspended or revoked;

10.2.1.6 You engage in any dishonest or unethical conduct which adversely affects the reputation of Dental Fix or the Franchise Network or the goodwill associated with the Trade Names or the Marks;

10.2.1.7 You knowingly make any unauthorized use or disclosure of any part of the Manual, the System or any other Confidential Information;

10.2.1.8 You interfere with our relations with third parties or our ability to operate, and/or grant franchises under, the System;

10.2.1.9 You knowingly fail to maintain the insurance we require or you fail to repay us for the insurance that we have paid on your behalf and you do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

10.2.1.10 You fail to pay us (or our Related Parties or approved suppliers) any amounts due and do not correct the failure within five (5) days after we deliver written notice of that failure to you;

10.2.1.11 You receive three (3) or more notices of default within any eighteen (18) month period;

10.2.1.12 You have materially breached any other agreement with us or any of our Related Parties, and we (or any of our Related Parties) have terminated such agreement for cause;

10.2.1.13 You fail to select another territory we consent to within 180 days from delivery of the Notice, or fail to commence operation of your Dental Fix Business within 90 days from the date we provide our written consent of the new territory, as provided for in Section 7.2.3;

10.2.1.14 You fail to purchase any required equipment, tools, supplies, products or services from us, our affiliates and/or from suppliers we designate as required by us;



10.2.1.15 You interfere with or prevent our representatives or designees from conducting inspections or audits during normal business hours;

10.2.1.16 You fail to satisfactorily complete the initial or a subsequent required supplemental training program; or

10.2.1.17 Subject to applicable bankruptcy law, you become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by you or such a petition is filed against you and not opposed by you; or if you are adjudicated bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; or if a final judgment against you remains unsatisfied or of record for thirty days or longer (unless unappealed or a supersedeas bond is filed); or if you are dissolved; or if execution is levied against your business or property; or if suit to foreclose any lien or mortgage against the Dental Fix Business Premises or equipment is instituted against you and not dismissed within thirty (30) days; or if real or personal property of your Dental Fix Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

## **10.2.2 Termination Upon Notice and Opportunity to Cure**

Except as otherwise provided in Section 10.2.1 above, upon any other default by you of your obligations hereunder, including those identified below, we may terminate this Agreement by giving written notice of termination, setting forth the nature of such default to you at least thirty (30) days prior to the effective date of termination; provided, however, that you may avoid termination by immediately initiating a remedy to cure such default, curing it to our satisfaction, and by promptly providing proof thereof to us, all within the thirty (30) day period. If any such default is not cured within the specified time, this Agreement shall terminate effective upon another notice delivered to you upon the expiration of the thirty (30) day period or such longer period as applicable law may require. The following is a non-exclusive list of illustrative events of default for which you may have an opportunity to cure the default to avoid termination:

10.2.2.1 You misuse our Trade Names or Marks, or use our Trade Names or Marks without our authorization at any location or on any vehicle other than the Premises and mobile units approved by us;

10.2.2.2 You make any unauthorized use of our System or proprietary software;

10.2.2.3 You fail to operate the Dental Fix Business during the days and hours specified in the Manual without our prior approval;

10.2.2.4 You fail to operate the Dental Fix Business from the Premises or Mobile Service Centers approved by us;

10.2.2.5 You fail to satisfy any minimum annual performance standard provided for in this Agreement;

10.2.2.6 You fail to pay when due any federal or state income, service, sales, or other taxes due on the Dental Fix Business's operation, unless you are in good faith contesting your liability for these taxes;

10.2.2.7 You fail to promptly pay your suppliers, including any of our Related Parties, when such payments are due;

10.2.2.8 You fail to comply with any other material provision of this Agreement, the Manual, or any System Standard;

10.2.2.9 You operate the Dental Fix Business in an unsafe manner, and you do not cure or substantially commence to cure this failure;

10.2.2.10 You fail to participate in the advertising, promotional, or marketing activities, services, and programs that are established by us, if said program are mandatory; or

10.2.2.11 You fail to have your Mobile Service Center delivered to our headquarters at least 7 days prior to the first day of your scheduled initial training program, and we decline to expedite the buildout of your Mobile Service Center or are unable to complete the buildout prior to the first day of your scheduled initial training program, for any reason(s).

### **10.2.3 Extended Notice of Termination**

If any law applicable to this Agreement requires a longer notice period prior to termination of this Agreement, or prior to a refusal to enter into a successor franchise agreement, than is specified in this Agreement, a different standard of "cause" for termination or the taking of some other action or forbearance not required under this Agreement, the prior notice, "cause" standard, and/or other action required by such law will be substituted for the comparable provisions in this Agreement.

### **10.2.4 Your Failure to Pay**

Your failure to make payments of any Corporate Support Fees, Marketing Contributions or other money due and owing to us, after receipt from us of a notice of the default granting you an opportunity to cure, will be deemed a willful and wrongful breach by you under this Agreement and your decision to reject and terminate this Agreement and all related agreements between you and us.

### **10.2.5 Damages for Material Breach of Agreement and Premature Termination**

You understand, acknowledge and agree that if we terminate this Agreement pursuant to Section 10.2 due to your material breach of this Agreement, then, in addition to any other damages we incur or any other fees that you may owe us, you and your Guarantor(s) will also be jointly and severally liable to us for the payment of damages in the amount of the Corporate Support Fees due for the remainder of the term of this Agreement.

## **10.3 Cross-Defaults, Non-Exclusive Remedies, etc.**

Any default by you (or any of your Related Parties) under this Agreement shall be a default under all other agreements between us (or any of our Related Parties) and you (or any of your Related Parties). Any default by you (or any Related Parties) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our Related Parties) and you (or any of your Related Parties), and any default by you (or any Related Parties) under any obligation to us (or any of our Related Parties)

shall be a default under this Agreement. Any default by you (or any of your Related Parties) under any lease, sublease, loan agreement, security agreement or other agreement related to your Dental Fix Business, with any third party shall be a default under this Agreement and all other agreements between us (or any of our Related Parties) and you (or any of your Related Parties).

In each of the foregoing cases, we (and our Related Parties) will have all remedies allowed at law, including termination of your rights (and/or those of any of your Related Parties) and our (and/or our Related Parties') obligations under all agreements between us. No right or remedy that we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

#### **10.4 Rights and Obligations After Termination, Non-Renewal or Expiration**

Upon termination, non-renewal or expiration of this Agreement for any reason, the parties will have the following rights and obligations:

- (a) We will have no further or continuing obligations under this Agreement.
- (b) You must give us and our designee a final accounting of your Dental Fix Business, pay us within thirty (30) days all payments due to us, and return the Manual, marketing materials, proprietary forms, software, videotapes and any other property belonging to us or our Related Parties to containing proprietary information.
- (c) You must immediately and permanently stop using the Marks or any confusingly similar marks, the System, and any advertising, signs, stationery, forms and other items that bear the Trade Names, the Marks or any other identifying marks or colors that might give others the impression that you are operating a Dental Fix Business.
- (d) You and all others bound by them will honor all post-term covenants stated in the Agreement.
- (e) You must promptly sign any documents and take any steps that in our judgment are necessary to delete your listings from classified telephone directories, disconnect or, at our option, assign to us any telephone numbers, email addresses, URLs and listings as in **Attachment 4**, that have been used in connection with your Business, and cease all other references that suggest you are associated with us. By signing this Agreement, you irrevocably appoint us your attorney-in-fact to take actions described in this paragraph if you do not do so yourself within seven (7) days after this Agreement is terminated.
- (f) You must maintain all records we require you to maintain under this Agreement for not less than six (6) years after final payment of any money you owe to us when this Agreement is terminated.
- (g) We have the option to buy some or all of the assets of your Dental Fix Business from you after termination upon the following terms:
  - i. The physical assets of your Dental Fix Business, including its equipment, supplies and inventory will be valued at the lower of fully depreciated book value or fair market value of the assets alone, without regard to any going concern value of the then terminated Business. If the parties do not agree on a price for the physical assets, the parties will select an independent appraiser who will determine the lower of fully depreciated book value or fair market value.
  - ii. Upon our request, you must give us copies of the leases for any and all real property and equipment used in your Business and allow us the opportunity, at a mutually satisfactory time, to inspect the leased property and equipment. We will advise you whether or not we wish to assume any real property or equipment lease in consideration of our assumption of future obligations under the lease. We will not, however, assume any responsibility for any debts to the lessor that already exist on the date when we assume the

lease or for any events that occurred before such date. If we elect to assume any such leases, you must assign them to us.

iii. We may elect to assume the contracts you have with existing customers for work that has not yet been performed, if applicable. If we elect to assume those contracts, you must assign to us any interest you may have in your existing client contracts and in any income generated by them after termination, non-renewal or expiration. We will in turn assume responsibility for providing the service under the contracts and may reassign them to other members of our Franchise Network or perform the work ourselves.

iv. Upon our written election to buy some or all of the assets of your Dental Fix Business, we have the right to immediate possession and may seek injunctive relief from any court of competent jurisdiction to enforce this right.

- (h) If the license granted in this Agreement is terminated or not renewed because of your default, the rights described in this section are not our exclusive remedies, but will instead supplement any other equitable or legal remedies available to us.
- (i) Termination, non-renewal or expiration of this Agreement will not end any of your obligations that came into existence before that event. All of your obligations that, by their terms or by reasonable implication, are to be performed in whole or in part after termination, non-renewal or expiration will survive that event.
- (j) You shall continue to be responsible for any warranty claims that may arise from your former customers and agree to work in good faith and in a professional manner with us, as well as your former customers, to resolve any such claims. You may not, however, represent to such former customers that you are still a Dental Fix franchisee or associated with us.

## **11. MISCELLANEOUS PROVISIONS**

### **11.1 Construction of Contract**

Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires.

### **11.2 Governing Law**

A substantial portion of the negotiations, anticipated performance, and execution of this Agreement occurred or will occur at our headquarters in the State of Florida. Therefore, you agree that except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.) or other federal law, this Agreement and any other agreement relating to this Agreement, and all transactions contemplated by this Agreement, as well as our offer, sale, or negotiation of a franchise or the relationship of the parties arising there from or from entering into this Agreement, are governed by, and must be construed and enforced in accordance with, the internal laws of the State of Florida, without regard to its conflict-of-laws principles. Notwithstanding the foregoing, any statutes in the foregoing jurisdiction regulating the offer or sale of franchises, business opportunities, or similar interests or governing the relationship between the parties to this Agreement, or between you, your Related Parties, and us, do not apply unless their respective jurisdictional requirements are met independently without reference to this Section 11.2.

### **11.3 Notices**

The parties to this Agreement must direct any notices to the other party at the address below that party's name on the final page of this Agreement or at another address if advised in writing that the address has been changed. Notice may be delivered by email, by confirmed facsimile, delivery service, express or first class mail. Notice by email or facsimile will be considered delivered upon transmission unless the facsimile is confirmed not received; by delivery service, upon delivery; by express, one (1) day after transmission; and by first class mail, three (3) days after posting.

### **11.4 Amendments**

This Agreement may be amended only by a written document signed by all of the parties to this Agreement.

### **11.5 Waiver**

Waiver of any breach of this Agreement shall not be interpreted as a waiver of any subsequent breach. Any representations requiring you as a prospective franchisee to assent to a release, estoppel or waiver of liability are not intended nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

### **11.6 Integration**

This Agreement and all ancillary agreements executed contemporaneously with this Agreement, constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements. You acknowledge that you are entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of your own independent investigation of the franchised Dental Fix Business and not as a result of any representations about us or the System made by our shareholders, members, officers, directors, employees, agents, independent contractors or other Dental Fix franchisees that are contrary to the terms set forth in this Agreement or of any disclosure document or other similar document required or permitted to be given to you pursuant to applicable law. This provision shall not serve to waive reliance on any representation made by us in the disclosure document or in its exhibits or amendments. Neither shall it serve to disclaim liability for statements authorized by us in our disclosure document.

### **11.7 Negotiation and Mediation**

#### **11.7.1 Agreement to Use Procedure**

The parties have reached this Agreement in good faith and in the belief that it is mutually advantageous to them. In the same spirit of cooperation, they pledge to try to resolve any dispute without litigation. They agree that, if any dispute arises between them before beginning any legal action to interpret or enforce this Agreement or to resolve any dispute relating to their relationship with one another, they will first attempt to negotiate a settlement and, if either party files a mediation proceeding, will participate in the mediation. Good faith participation in these procedures to the greatest extent reasonably possible is a precondition to maintaining any legal action to interpret or enforce this Agreement, except for our assertion of equitable rights in this Agreement.

### **11.7.2 Mediation**

If the dispute has not been resolved within a reasonable time through negotiations, either party may, at its option, begin mediation procedures. Mediation will be conducted by and under the rules of the American Arbitration Association (“AAA”) in Miami-Dade County, Florida. The parties shall share the costs of mediation, such as the mediator’s fees and cost of the facility, equally. The parties will pay their own attorney’s fees and travel expenses associated with mediation.

### **11.8 Jurisdiction and Venue**

Any dispute, controversy or claim arising out of or relating to this Agreement or the breach thereof, or the relationship between the parties, not resolved by negotiation or mediation, shall be instituted exclusively in a court of competent jurisdiction in Broward County, Florida. Franchisee agrees to submit to the personal jurisdiction of the courts in Broward County, Florida and waives any right to contest venue and jurisdiction in Broward County, Florida and also waives any claims that venue and jurisdiction in Broward County, Florida are invalid.

### **11.9 Limitation of Actions**

**ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF YOU AND US, OR YOUR OPERATION OF THE DENTAL FIX BUSINESS (INCLUDING ANY DEFENSES AND ANY CLAIMS OF SET OFF OR RECOUPMENT), MUST BE BROUGHT OR ASSERTED BEFORE THE EXPIRATION OF ONE YEAR AFTER THE FIRST ACT OR OMISSION GIVING RISE TO AN ALLEGED CLAIM; OR IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES THAT SUCH CLAIMS OR ACTIONS SHALL BE IRREVOCABLY BARRED. THERE SHALL BE NO CLASS ACTIONS. NOTWITHSTANDING THIS, OUR CLAIMS ATTRIBUTABLE TO UNDER-REPORTING OF SALES, AND CLAIMS OF ANY PARTY FOR FAILURE TO PAY MONIES OWED AND FOR INDEMNIFICATION SHALL BE SUBJECT ONLY TO THE APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS. HOWEVER, ANY CLAIMS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION DISCLOSURE LAW MUST BE BROUGHT WITHIN THREE YEARS AFTER THE GRANT OF THE FRANCHISE.**

### **11.10 Individual Dispute Resolution**

You and we agree that the relationship contemplated by this Agreement is a unique and individual relationship between the parties and will be characterized by unique circumstances, actions and experiences that relate only to you and your relationship with us. Therefore, you and we agree that any litigation between or among the parties to this Agreement and any of their Related Parties will be conducted on an individual basis and not on a consolidated, group, or class-wide basis.

### **11.11 Jury Trial Waiver**

**THE PARTIES HEREBY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ALL LITIGATION ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR ANY AGREEMENT BETWEEN THE PARTIES, OR CONCERNING THEIR RELATIONSHIP.**

#### **11.12 Attorney Fees**

If legal action, including any action on appeal is instituted to enforce the terms and conditions of this Agreement, the substantially prevailing party shall recover attorney fees from the other. The judge shall determine which party is the prevailing party, and a party need not prevail on all of its claims or defenses in the suit to be found to have substantially prevailed.

#### **11.13 Severability**

Each provision of this Agreement is severable. If any of its provisions is determined to be invalid or in conflict with any existing or future law or regulation, that provision will not impair the operation of the remaining provisions of this Agreement. The invalid provisions will be considered not to be a part of this Agreement. However, if we decide that the finding of illegality adversely affects the basic consideration for our performance under this Agreement, we may, at our option, terminate and not renew it.

#### **11.14 Approval and Guaranties; Ownership and Management Disclosure**

You, and if you are a corporation, all officers and shareholders with a ten percent (10%) or greater interest in you, or, if you are a partnership, all your partners, or, if you are a limited liability company, all your members must approve this Agreement, permit you to furnish the financial information we and our designee requires and agree to the restrictions placed on them, including without limitation restrictions on the transferability of their interests in you, in the license and in your Business and limitations on their rights to compete, and agree to sign guaranties of your obligations in the form of **Attachment 6** to this Agreement. All transferees of any interest in your Dental Fix Business, this Agreement or any equity or voting interest in you, in your corporation, partnership or limited liability company must comply with this provision as a condition precedent to our consent to transfer.

**You must sign Attachment 8, the “Ownership and Management Disclosure” form, when signing this Agreement.**

#### **11.15 Acceptance by Us**

This Agreement will not be binding on us unless and until it has been signed by our chief executive officer, chairman of the board or president.

#### **11.16 Disclaimer of Representations; Right to Counsel**

**YOU AGREE THAT WE HAVE MADE NO REPRESENTATIONS OR PROMISES OF ANY KIND TO INDUCE YOU TO SIGN THIS AGREEMENT EXCEPT THOSE SPECIFICALLY STATED IN THE FRANCHISE DISCLOSURE DOCUMENT THAT HAS BEEN DELIVERED TO YOU. YOU ACKNOWLEDGE THAT NEITHER WE NOR ANY OTHER PERSON HAS GUARANTEED THAT YOU WILL SUCCEED IN THE OPERATION OF YOUR DENTAL FIX BUSINESS AND THAT NO EMPLOYEE, AGENT OR REPRESENTATIVE OF OURS HAS PROVIDED ANY SALES OR INCOME PROJECTIONS OF ANY KIND TO YOU OTHER THAN THOSE, IF ANY, INCLUDED IN THE FRANCHISE DISCLOSURE DOCUMENT. YOU HAVE MADE AN INDEPENDENT INVESTIGATION OF ALL IMPORTANT ASPECTS OF THE BUSINESS YOU WILL OPERATE UNDER THIS AGREEMENT. YOU UNDERSTAND THAT WE ARE NOT A FIDUCIARY AND HAVE NO SPECIAL RESPONSIBILITIES BEYOND THE NORMAL RESPONSIBILITIES OF A SELLER IN A BUSINESS TRANSACTION. YOU ARE AWARE OF NO FACTS GIVING RISE TO ANY CLAIM AGAINST US BY YOU. WE HAVE ADVISED YOU TO CONSULT AN ATTORNEY TO REVIEW THIS AGREEMENT AND**

**ADVISE YOU ABOUT IT AND WE HAVE GIVEN YOU SUFFICIENT TIME WITHIN WHICH TO DO THIS.**

**IN WITNESS TO THE PROVISIONS OF THIS AGREEMENT, the undersigned has signed it and dated on the date stated below.**

FRANCHISEE

FRANCHISOR  
DENTAL FIX RX, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

4380 Oakes Road  
Suite 800  
Davie, Florida 33314

\_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**ATTACHMENT 1**  
**TERRITORY AND PREMISES**

Your Premises is the physical address where your business is located (where you keep your Mobile Service Centers and equipment) and is at

\_\_\_\_\_.

Your Territory is defined as the following zip codes:

**ATTACHMENT 2**  
**ELECTRONIC FUNDS TRANSFER**  
**AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO**  
**DENTAL FIX RX, LLC ("PAYEE")**

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken according to the above authorization:

- (1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose for payment, including any costs or expenses reasonably incurred in connection therewith.
- (2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.
- (3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee under the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository: \_\_\_\_\_

Name of Depositor: \_\_\_\_\_

Designated Bank Acct.: \_\_\_\_\_

(Please attach one voided check for the above account)

Store Location: \_\_\_\_\_

Store #: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

Fax #: \_\_\_\_\_

Name of Franchisee/Depositor (please print)

By: \_\_\_\_\_

Signature and Title of Authorized Representative

Date: \_\_\_\_\_

**ATTACHMENT 3**  
**NON-DISCLOSURE AND NONCOMPETITION AGREEMENT**

This Nondisclosure and Noncompetition Agreement is entered into between \_\_\_\_\_ (“Confidant”) in favor of Dental Fix Rx, LLC (“Franchisor”) dated \_\_\_\_\_ in connection with that certain Franchise Agreement between Dental Fix and (“Franchisee”) under which the franchisee has been licensed to operate a Dental Fix franchise. Capitalized terms used below, if not defined here, shall have the meanings assigned to them in the Franchise Agreement.

Confidant is about to undergo training by Franchisor or is an owner or Related Party of Franchisee. As a result of this process or status, Confidant has learned or will learn a great deal about the Dental Fix System, including information about the franchisor’s business affairs, finances, management, marketing programs, philosophy, customers, systems, standards, know-how, trade secrets, confidential information and methods of doing business. Confidant will have access to confidential information developed and maintained at substantial cost by the Franchisor. This information is proprietary to Dental Fix. Its use by third parties could cause substantial and irreparable damage to the company.

In accord with the Franchise Agreement, the Franchisor will provide or is providing valuable marketing and administrative services.

Therefore, in return for either (a) his or her training or (b) his or her employment by or ownership of the Franchisee, and (c) the valuable services provided by the Franchisor to the Franchisee, the undersigned (“Confidant”) agrees as follows.

1. Non-disclosure of Trade Secrets and Confidential Information

Confidant agrees, during the term of the Franchise Agreement and following termination, expiration, non-renewal, transfer or assignment of the Franchise Agreement, not to disclose, duplicate, sell, reveal, divulge, publish, furnish, or communicate, either directly or indirectly, any Trade Secret or other Confidential Information of the Franchisor to any other person or company unless authorized in writing by the Franchisor. Confidant agrees not to use any Trade Secret or Confidential Information for his or her personal gain or for purposes of others, whether or not the Trade Secret or Confidential Information has been conceived, originated, discovered, or developed, in whole or in part, by Confidant or represents Confidant’s work product. If Confidant has assisted in the past or will assist in the future in the preparation of any information that we consider to be a Trade Secret or Confidential Information or has himself or herself prepared or created or in the future will prepare or create the information, Confidant assigns any rights that he or she may have in the information as its creator to the Franchisor, including all ideas made or conceived by Confidant.

2. Definition of Trade Secrets and Confidential Information

For purposes of this Agreement, and subject to any applicable trade secrets statute, the terms “Trade Secret” and “Confidential Information” mean any knowledge, technique, processes, formulas, recipes, designs, methods, systems and other information made known or available to Confidant that the Franchisor treats as confidential, whether existing now or created in the future, including but not limited to information about the cost of materials and supplies, supplier lists or sources of supplies, sales and marketing information, pricing information, proprietary software, internal business forms, orders, customer accounts, manuals and instructional materials describing

our methods of operation, including our Operations Manual, audiotapes and video tapes, products, drawings, designs, plans, proposals, and marketing plans, all concepts or ideas in, or reasonably related to the Franchisor's business that have not previously been publicly released by the Franchisor, and any other information or property of any kind of the Franchisor that may be protected by law as a trade secret, confidential, or proprietary. The Trade Secrets and Confidential Information described in this agreement are the sole property of or are licensed exclusively to the Franchisor.

### 3. Return of Proprietary Materials

Upon termination or expiration of Confidant's ownership or employment by the Franchisee Confidant must surrender to the Franchisor all materials considered proprietary by the Franchisor, technical or non-technical, whether or not copyrighted, that relate to a Trade Secret, Confidential Information, or to the conduct of the operations of the Franchisor. Confidant expressly acknowledges that any such materials of any kind given to him or her are and will remain the sole property of the Franchisor.

### 4. Solicitation of Clients

During the term of Confidant's relationship with the Franchisor or the Franchisee, and for two (2) years after the relationship ends, Confidant agrees that he or she will not, directly or indirectly or by action in concert with others, solicit, induce or influence or seek to solicit, induce or influence any customer or prospective customer with whom Confidant or the Franchisee did business during that relationship for the purpose of promoting or selling any products or services that are competitive with those offered by Franchisor and its franchisees.

### 5. Solicitation of Employees

Confidant further agrees that, during the term of his or her relationship with the Franchisor or the Franchisee and for two (2) years after the relationship ends, he or she will not, directly or indirectly or in concert with others, furnish to or for the benefit of any competitor of the Franchisor or the Franchisee, or the competitor's employees, agents, or licensees, or the competitor's subsidiaries, the name of any person who is employed or engaged as an independent contractor by the Franchisor by the Franchisee or by any other franchisee of the Franchisor. In addition, Confidant agrees that, during the term of his or her relationship with the Franchisor or the Franchisee and for two (2) years after the relationship terminates, he or she will not, directly or indirectly or by action in concert with others, solicit, induce or influence, or seek to solicit, induce or influence any person who is employed by or engaged as an independent contractor by the Franchisor, the Franchisee or by any other franchisee of the Franchisor to terminate his or her employment or engagement.

### 6. Covenant Against Competition

For two (2) years after the termination, expiration, or non-renewal of the relationship between Confidant and the Franchisor or the Franchisee, neither Confidant will not, directly or indirectly:

- i. solicit or otherwise attempt to induce (by combining or conspiring with, or attempting to do so), or influence in any other manner any of Franchisor's employees, officers, directors, agents, consultants, representatives, contractors, suppliers, distributors, franchisees, or other business contacts ("Business

Affiliates”) to terminate or modify their business relationship with Franchisor or to compete against Franchisor or any franchisees of Franchisor;

- ii. as owner, officer, director, employee, agent, lender, lessor, broker, consultant, franchisor, franchisee, or in any other similar capacity whatsoever connected in any manner with the ownership, management, operation or control, or conduct of a Competitive Business that is located or markets: (a) within the Territory of Franchisee; (b) within forty (40) miles of any dentist or dental practices in the Franchisee’s Territory; or (c) within the Territory of any other Dental Fix franchisee;
- iii. in any manner interfere with, disturb, disrupt, impair, diminish, or otherwise jeopardize the Dental Fix franchise system, the Franchisor’s business, or the business of Franchisor’s franchisees.

For the purposes of this Agreement, a “Competitive Business” is any business which is engaged wholly or partially, directly or indirectly, in operating a business which provides the same or similar services or sells the same or similar products as Franchisee, Franchisor, and Franchisor’s other franchisees, including, but not limited to, a business that sells consumable products and/or provides equipment maintenance, equipment service and repair, equipment sales, and handpiece repair services to dentists or dental practices.

#### 7. Saving Provision

Confidant agrees and stipulates that the agreements and covenants not to compete contained in the preceding paragraph are fair and reasonable in light of all the facts and circumstances of the relationship between Confidant and the Franchisor or the Franchisee. However, Confidant and the Franchisor are aware that in certain circumstances courts have refused to enforce certain agreements not to compete. Therefore, in furtherance of the provisions of the preceding paragraph, Confidant and the Franchisor agree that if a court or arbitrator should decline to enforce the provisions of the preceding paragraph, that paragraph must be considered modified to restrict Confidant’s competition with the Franchisor and the Franchisee to the maximum extent, in both time and geography, which the court or arbitrator finds enforceable.

#### 8. Irreparable Harm to the Franchisor

Confidant understands and agrees that the Franchisor will suffer irreparable injury that cannot be precisely measured in monetary damages if the Trade Secrets, Confidential Information or the Franchisor’s proprietary information is obtained by any person, firm, or corporation and is used in competition with the Franchisor. Accordingly, Confidant agrees that it is reasonable for the protection of the business and goodwill of the Franchisor to require Confidant to enter into this agreement. If there is a breach of this agreement by Confidant, Confidant consents to entry of temporary, preliminary and permanent injunction, or other equitable relief, all without need for bond, that may be granted by a court having proper jurisdiction.

#### 9. Binding Effect

This agreement will bind Confidant’s heirs, executors, successors, and assignees as though originally signed by them.

10. Applicable Law

The validity of this Agreement will be governed by the laws of the State where Confidant lives. If any provision of this Agreement is void or unenforceable in that State, the remainder of the Agreement will be fully enforceable according to its terms.

CONFIDANT

\_\_\_\_\_  
Franchisee

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTACHMENT 4**  
**ASSIGNMENT OF TELEPHONE NUMBERS, EMAIL ADDRESS AND URLs AND**  
**SPECIAL POWER OF ATTORNEY**

1. \_\_\_\_\_ (“Franchisee”), to induce Dental Fix Rx, LLC (“Dental Fix”) to grant Franchisee a franchise, assigns to Dental Fix all telephone numbers, email addresses, and URL’s and listings Franchisee uses, advertises, publicizes, or otherwise makes known to clients, customers or to the public in the operation of its Dental Fix business, both now and in the future, in the city where its business is operated.

2. This assignment will automatically become effective immediately upon termination, expiration, or nonrenewal of Franchisee’s Dental Fix franchise agreement. When the franchise agreement is terminated, Franchisee agrees to do whatever is necessary to cause the companies providing service to its Business to promptly transfer its telephone numbers, email addresses and URL’s and associated directory listings to Dental Fix or its designee.

3. Franchisee agrees to pay these service providers, on or before the date when the franchise agreement is terminated, all amounts Franchisee owes it in connection with the telephone numbers, including payment for any advertisements or listings in a classified directory or directories. Franchisee further agrees to indemnify Dental Fix for any money Dental Fix must pay the service providers before the service providers will carry out this agreement.

4. Franchisee appoints Dental Fix as his, her or its attorney-in-fact to sign any documents and do any things necessary to carry out this agreement if Franchisee fails to sign or do them within seven business days after termination of the franchise agreement. Franchisee further agrees to indemnify Dental Fix for any expenses, including legal fees, that Dental Fix incurs which would not have been incurred if Franchisee had performed as promised under this agreement.

Dated: \_\_\_\_\_

Sign here if Franchisee is an individual:

FRANCHISEE

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Sign here if Franchisee is a company:

FRANCHISEE

Signature: By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

**ATTACHMENT 5**  
**SOFTWARE LICENSE AGREEMENT**

This Software License Agreement is entered into in connection with that certain Franchise Agreement between Dental Fix Rx, LLC (“Dental Fix” or “us” or “we”) and \_\_\_\_\_ (“you”) under which you have been licensed to operate a Dental Fix franchise. Capitalized terms used below, if not defined here, shall have the meanings assigned to them in the Franchise Agreement.

1. License

Dental Fix grants you a nontransferable, nonexclusive, limited license to use its proprietary operations and financial software program (“the Software”) on the equipment agreed to by the parties during the term of the Franchise Agreement.

2. Payment

In return for a monthly license fee of two hundred fifty dollars (\$250.00), payable on the first day of each month, Dental Fix grants you a license to use one copy of the Software for your Dental Fix Business. If you have more than one user, we will charge you an additional \$250 per month per each additional user (the fees are collectively referred to as “Software License Fees”). We may, in our sole discretion, increase the monthly Software License Fees annually by a maximum of six percent (6%) from the previous year. You understand and agree that a separate software license agreement must be signed for each copy of the Software you are required to license from Dental Fix, and a separate copy of the Software must be licensed for each of your Dental Fix Mobile Service Centers.

3. Proprietary Information

The original and all copies of the Software and related materials, whether copyrighted or patented, will be considered confidential and proprietary information of Dental Fix and will be and remain the sole property of Dental Fix. You agree to maintain the confidential and proprietary information in strict compliance. You agree to take all reasonable steps to safeguard the confidential and proprietary information from unauthorized disclosure, theft, and third party access.

The Software may not be sold, leased, assigned, sublicensed, or otherwise transferred, in whole or in part, unless otherwise permitted in writing by us. You will not copy, modify, disassemble, decompile, reverse engineer or otherwise misuse the Software.

4. Software “As Is”

You understand that the Software provided under this Software License Agreement is provided on an “as is” basis. You further understand and acknowledge that WE MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THIS SOFTWARE, INCLUDING ITS QUALITY, PERFORMANCE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL WE BE LIABLE FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF OR INABILITY TO USE THE SOFTWARE.

5. Termination

You agree that if either party terminates or fails to renew the Franchise Agreement or it expires, this Software License Agreement will terminate immediately.

Upon termination of this license, use of the licensed Software must be discontinued, and the license and rights granted under this Software License Agreement will terminate and you will



have no further rights or access to the Software. You must return or destroy, in our sole discretion, all copies of Software or related documentation.

6. Changes

You agree to make all changes and upgrades (including, replacing Software with new software) required by us immediately upon our notice.

7. Damage Limitation

**IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR THE PAYMENT OF ANY INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES.**

8. Severability

The invalidity, in whole or in part, of any provision in this Software License Agreement will not affect the validity of any of its other provisions.

9. Assignment

We may assign this Software License Agreement, provided that the assignee agrees to be bound by all of our obligations here. You may not assign or subcontract part or all of your responsibilities under this Software License Agreement, or any interest in this agreement, without our explicit written consent.

10. No Waiver of Future Violations

The failure of either party to insist on strict performance of any of the provisions of this Software License Agreement or to exercise any right it grants will not be construed as a relinquishment or future waiver, rather, the provision or right will continue in full force. No waiver of any provision or right will be valid unless it is in writing and signed by the party giving it.

11. Taxes

You will be responsible for the payment of all taxes in connection with this Software License Agreement, except for any tax based on our net income.

12. Dispute Resolution; Jury Waiver and Other Waivers

Any disputes arising out of this Software License Agreement shall be governed by the dispute resolution provisions in the Franchise Agreement and **YOU WAIVE THE RIGHT TO TRIAL BY JURY, CONSOLIDATED OR CLASS ACTIONS, AND PUNITIVE DAMAGES.**

13. Applicable Law

This Agreement will be governed by the laws of the State applicable to the Franchise Agreement.

14. Notices

The parties to this Agreement should direct any notices to the other party at the address below that party's name on the final page of the Franchise Agreement or at another address if advised in writing that the address has been changed. Notice may be delivered by email or by confirmed facsimile, delivery service or first class mail. Notice by facsimile or email will be considered delivered upon transmission unless the facsimile is not received; by delivery service, upon delivery; and by first class mail, three (3) days after posting.

15. Entire Agreement

This Software License Agreement, together with all appendices and other attachments to it, and any recitations in Franchise Agreement concerning software constitute the entire agreement

between the parties relating to the Software and they supersede all prior oral and written agreements. Amendments to this agreement will not be effective unless in writing and signed by the party against whom or which enforcement of the amendment is sought.

IN WITNESS TO THE FOREGOING, the parties have signed this Software License Agreement.

FRANCHISOR  
Dental Fix Rx LLC

FRANCHISEE: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTACHMENT 6**  
**PERSONAL GUARANTY AGREEMENT**

In consideration of the execution by DENTAL FIX RX, LLC ("Franchisor") of the Dental Fix Rx Franchise Agreement (the "Franchise Agreement"), dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between Franchisor and \_\_\_\_\_ ("Franchisee") and for other good and valuable consideration, including Franchisor's execution of or consent to the transfer of the Franchise Agreement, if applicable, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Franchise Agreement and in any other agreement(s) by and between Franchisee and Franchisor.

If more than one (1) person has executed this Guaranty, the term "the undersigned", as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking contained and set forth in said Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor, and agree that this Guaranty shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor.

The undersigned hereby agree, furthermore, that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (a) any term, covenant or condition of the Franchise Agreement may be amended, compromised, released or otherwise altered by Franchisor and Franchisee, and the undersigned do guarantee and promise to perform all the obligations of Franchisee under the Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the Franchise Agreement may be released, substituted or added; (c) any right or remedy under the Agreement, this Guaranty or any other instrument or agreement between Franchisor and Franchisee may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (d) Franchisor or any other person may deal in any manner with Franchisee, any of the undersigned, any party to the Franchise Agreement or any other person.

Should Franchisee be in breach or default under the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Franchisee and without proceeding against or naming in such suit any other Franchisee, signatory to the Franchise Agreement or any others of the undersigned.

Notice to or demand upon Franchisee or any of the undersigned shall be deemed notice to or demand upon Franchisee and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of or release from liability of Franchisee or any of the undersigned shall not relieve any other Guarantors from liability hereunder, under the Franchise Agreement, or under any other agreement(s) between Franchisor and Franchisee, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, with respect to the Franchise Agreement or any other agreement(s) by and

between Franchisee and Franchisor, shall in no way modify or amend this Guaranty, which shall be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guaranty shall inure to the benefit of the Franchisor, its successors and assigns. This Guaranty may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

Guarantors agree to pay all of Franchisor's reasonable attorneys' fees and costs incurred in any collection or attempt to collect amounts due or to enforce provisions of the Franchise Agreement or this Guaranty.

This Guaranty shall be governed by and construed in accordance with the laws of the State of Florida. Franchisor may enforce its rights regarding this Guaranty in the courts of Broward County, Florida, to which venue and jurisdiction Guarantors hereby expressly consent and agree. Guarantors each irrevocably consent and submit to the jurisdiction and venue of such courts.

Should any one (1) or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty effective as of the date of the Franchise Agreement.

GUARANTOR:

\_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

GUARANTOR:

\_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

## ATTACHMENT 7

### OWNERSHIP AND MANAGEMENT

Principal Owner and Minority Owners. You represent and warrant to us that the following person(s) and entities, and only the following person(s) and entities, shall be the Principal Owner and Minority Owners of the franchise:

<u>NAME</u>	<u>HOME ADDRESS</u>	<u>PERCENTAGE OF INTEREST</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Designated Principal. You represent and warrant to us that the following person, and only the following person, shall be the Designated Principal of the Franchise Business:

<u>NAME</u>	<u>TITLE</u>	<u>ADDRESS</u>
_____	_____	_____
_____	_____	_____

Change. You shall immediately notify us in writing of any change in the information contained in the Addendum and, at our request, prepare and sign a new Addendum containing the correct information.

Effective Date. This Addendum is effective as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Franchisee

DENTAL FIX RX, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

CUSTOMER GUARANTEE ADDENDUM  
TO THE DENTAL FIX FRANCHISE AGREEMENT

This Addendum to the Dental Fix Franchise Agreement with a Start Date of \_\_\_\_\_, 201\_\_\_\_, between Franchisee, \_\_\_\_\_ (“You”), and Franchisor, Dental Fix Rx, LLC (“we” or “us”) (the “Franchise Agreement”), modifies the Franchise Agreement as follows:

RECITALS

WHEREAS, if your territory has more than 250 Clinics, we desire to offer you the limited right to a refund of the Initial Franchise Fee paid by you to us if you do not service at least forty (40) Practitioners as customers within your first twelve (12) months of operation, on the terms and conditions outlined below.

NOW THEREFORE, the Franchise Agreement is modified as follows:

- 1. If your Territory has more than 250 Clinics, Section 6.1 of the Franchise Agreement is hereby modified by adding the following paragraphs to the end of Section 6.1 of the Franchise Agreement:**

We will refund the Initial Franchise Fee to you if, after the first twelve (12) months of operations, your Dental Fix Business does not service forty (40) Practitioners as customers whether or not you are paid for your services. A customer is defined as a Practitioner or Clinic that you perform services for and that you invoice, whether or not you receive payment for that service. In order to be eligible for a full refund of your Initial Franchise Fee you must strictly comply with the following requirements:

i. You must strictly follow our System as provided for in our Operations Manual without deviation from our System;

ii. You must operate your Dental Fix Business on a full-time basis. Full-time basis means that you operate your Mobile Service Center performing services for customers at least forty (40) hours per week, as reflected by your GPS tracking system, and you take no more than ten (10) days off in the first twelve (12) months of operations. Full-time basis does not include working from home; and

iii. You must engage in the minimum amount of “Marketing Activity” in your Territory, which consists of making physical marketing/solicitation visits to Practitioners and/or Clinics and making follow-up phone calls to these Practitioners and/or Clinics that are documented in the RunDFX call log note page and labeled as being made for the purpose of “marketing.” The minimum amount of Marketing Activity you must engage in is as follows: (a) two hundred (200) visits or documented follow-up calls per month for the first three (3) months; and (b) one hundred and twenty (120) visits or documented follow-up calls per month for the remaining nine (9) months. Marketing Activity requires you to, among other things, strictly follow our guidelines and system for such visits and calls as outlined in our Operations Manual, training videos, and other training materials. Marketing Activity also requires you to map out your day on map point, visit Practitioners and Clinics that you have mapped out for the day, read notes on the Practitioners and Clinics you are visiting prior to visiting their office, and enter notes in our software system after you have completed a visit with a Practitioner and/or Clinic.

Except as specifically provided herein, the Initial Franchise Fee is fully earned and is non-refundable.

**2. General Release** In consideration of agreement to modify the Franchise Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, you, and your insurers, predecessors, successors, assigns, agents, attorneys, shareholders, members, officers, directors, employees, representatives, and affiliated companies, hereby fully release, acquit and forever discharge us, our insurers, predecessors, successors, assigns, agents, attorneys, officers, directors, employees, representatives, and affiliated companies, from any and all manner of actions, claims, demands, suits, damages, or other assertions, whether known or unknown, liquidated or unliquidated, fixed or contingent, direct or indirect, that they ever had, now have, shall or may have against us, our insurers, successors, assigns, agents, shareholders, members, attorneys, officers, directors, employees, representatives and affiliated companies, for, upon or by reason of any matter, act or thing, from the beginning of the world to the date of this Addendum, including, without limitation, any and all claims which were or which could have been asserted arising out of or related to this Addendum, including, without limitation, and to the extent allowed by applicable law, claims arising under federal, state and local laws, rules and ordinances.

### **3. General Provisions.**

3.1. All capitalized terms not otherwise defined herein shall have the meanings given to them in the Franchise Agreement.

3.2. Except as specifically amended herein, the Franchise Agreement including all other documents, instruments and agreements executed and/or delivered in connection therewith, shall remain in full force and effect, and are hereby ratified and confirmed. The execution, delivery and effectiveness of this Addendum shall not operate as a waiver of any right, power or remedy of Dental Fix Rx, LLC, nor constitute a waiver of any provision of the Franchise Agreement, or any other documents, instruments or agreements executed and/or delivered under or in connection therewith.

3.3. This Addendum represents the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all other negotiations, understandings and representations if any made by and between the parties. No representations, inducements, promises or agreements, oral or otherwise, if any, not embodied herein are of any force and effect.

3.4. The provisions of this Addendum may be amended, supplemented, waived or changed only by a written document signed by the party as to whom enforcement of any such amendment, supplement, waiver or modification is sought and making specific reference to this Addendum.

3.5. All of the terms and provisions of this Addendum, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective personal representatives, legal representatives, heirs, successors and permitted assigns.

3.6. The provisions of the Franchise Agreement pertaining to dispute resolution—including mediation of disputes, governing law, and jurisdiction and venue—are incorporated herein and apply with equal force to the terms and conditions of this Addendum as if fully set forth herein.

3.7. This Addendum may be executed in two or more counterparts, each of which is deemed an original, but all of which together constitute one and the same instrument. Confirmation of execution by facsimile, or scanned and emailed, signature page shall be binding upon any party so confirming.

3.8. The parties acknowledge and represent that the recitals appearing at the beginning of this Addendum are true and correct, and are specifically incorporated into this Addendum.

Dated this \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

FRANCHISOR:  
DENTAL FIX RX, LLC

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

FRANCHISEE:

\_\_\_\_\_

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_



**EXHIBIT D**  
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**EXHIBIT E-1**  
**LIST OF CURRENT FRANCHISEES**

**(As of December 31, 2016)**

**CURRENT FRANCHISE OWNERS**

<b><u>Name</u></b>	<b><u>E-Mail Address</u></b>	<b><u>City</u></b>	<b><u>State</u></b>	<b><u>Phone</u></b>
Frank Griffith	Frank.griffith@dentalfixrx.com	Alabaster	Alabama	205-470-1962
Jorge Quinteros	jorge.quinteros@dentalfixrx.com	Mesa	Arizona	206-818-8153
Brett Mangum and Clint Rucker	Brett.mangum@dentalfixrx.com clint.rucker@dentalfixrx.com	Prescott	Arizona	480-599-3328
Michael Sareeram	Michael.sareeram@dentalfixrx.com	Elk Grove	California	916-224-9961
Pedram Nooriesfandiarj; And Ignacio Medina	pedram.noories@dentalfixrx.com; ignacio@dentalfixrx.com	Irvine	California	949-510-5484 949-892-7275
Mark Belmar	Mark.belmar@dentalfixrx.com	Los Alamitos	California	714-330-7881
Chris Cloer	Chris.cloer@dentalfixrx.com	Monterey Park	California	626-343-6121
Karl Burgess	karl.burgess@dentalfixrx.com	Whittier	California	562-714-5109
Michael Michalkiewicz	michael.michalkiewicz@dentalfixrx.com	Aurora	Colorado	720-252-5957
Roger Chavez	roger.chavez@dentalfixrx.com	Colorado Spgs	Colorado	719-425-1421
Donald Haptonstall	Donald.haptonstall@dentalfixrx.com	Monument	Colorado	719-310-1216
Tim Rouzee	Tim.rouzee@dentalfixrx.com	Parker	Colorado	308-631-9910
Mike Parker	mike@dentalfixrx.com	Coral Springs	Florida	954-826-4226
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Richard Radcliffe	richard.radcliffe@dentalfixrx.com	Jacksonville	Florida	904-662-5332
Peter Phillips	Peter.phillips@dentalfixrx.com	Lithia	Florida	813-810-7002
Federico Flores and Jorge Montero	federico.flores@dentalfixrx.com Jorge.montero@dentalfixrx.com	Miami	Florida	786-423-8588 954-849-8465
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Stephen Southall	Stephen.southall@dentalfixrx.com	Douglasville	Georgia	706-523-0845
Gregory Grant	gregory.grant@dentalfixrx.com	Boise	Idaho	208-866-4089
Algis Suopys	Al.suopys@dentalfixrx.com	Lindenhurst	Illinois	224-358-1273
Ronald Rasavong	Ronald.rasavong@dentalfixrx.com	Mount Prospect	Illinois	847-508-0766
Mitesh Chandarana	mitesh.chandarana@dentalfixrx.com	Warrenville	Illinois	630-359-7154

George Gilbert	george.gilbert@dentalfixrx.com	Indianapolis	Indiana	317-400-7714
Chris Guthrie	Chris.guthrie@dentalfixrx.com	Newburgh	Indiana	812-774-3727
Mike Porter	michael.porter@dentalfixrx.com	LeMars	Iowa	712-540-9472
Tyler Thornberry*	tyler.thornberry@dentalfixrx.com	Louisville	Kentucky	859-802-8255
Charles Hunter	Charles.hunter@dentalfixrx.com	Metairie	Louisiana	504-919-1892
Chet Davis	chet.davis@dentalfixrx.com	Shreveport	Louisiana	318-572-8396
Andy Cohen	andy@dentalfixrx.com	Baltimore	Maryland	561-573-5255
Mark McDonald	mark.mcdonald@dentalfixrx.com	Bethesda	Maryland	703-927-1837
Ryan Clark	Ryan.clark@dentalfixrx.com	Edgewater	Maryland	443-254-5881
Arash Nowbahar	arash.nowbahar@dentalfixrx.com	Ellicott City	Maryland	410-370-3471
Mark McDonald	mark.mcdonald@dentalfixrx.com	Rockville	Maryland	703-927-1837
Brian Dershow (4 units)	brian@dentalfixrx.com	West Bloomfield	Michigan	248-918-1801
Michael Johnson	michael.johnson@dentalfixrx.com	Clinton	Mississippi	601-260-9848
Michael Swider	michael.swider@dentalfixrx.com	Ellisville	Missouri	314-497-8337
William Zechmann (2 units)	william.zechmann@dentalfixrx.com	Norfolk	Nebraska	402-750-5025 402-231-1658
James Cryan	James.cryan@dentalfixrx.com	Reno	Nevada	775-848-3458
Mark Dirato	Mark.dirato@dentalfixrx.com	Brick	New Jersey	908-328-9815
Mahi Paturu	mahi.paturu@dentalfixrx.com	Bridgewater	New Jersey	908-397-3113
Jonathan Espinoza*	Jonathan.espinoza@dentalfixrx.com	Clifton	New Jersey	201-638-0854
Frank Schultz	Charles.schultz@dentalfixrx.com	Newark	New Jersey	518-860-9091
James Moretti	james.moretti@dentalfixrx.com	New Milford	New Jersey	551-404-7963
Albert Aberin	albert.aberin@dentalfixrx.com	Piscataway	New Jersey	732-688-8408
Marc Boyler	Marc.boyler@dentalfixrx.com	Plainsboro	New Jersey	908-705-4518
Aaron Pfaff	Aaron.pfaff@dentalfixrx.com	Rio Rancho	New Mexico	505-379-8158
Yun He Ho	Yun.ho@dentalfixrx.com	Briarwood	New York	347-204-1206
Gary McHale	gary.mchale@dentalfixrx.com	Buffalo	New York	716-868-0663
Crystal Anderson	crystal.anderson@dentalfixrx.com	Fishkill	New York	914-474-7421
Johnny Yuen (2 units)	Johnny.yuen@dentalfixrx.com	Fort Salonga	New York	516-782-6943
William Neese	William.neese@dentalfixrx.com	Charlotte	North Carolina	704-589-4380
Bill Lutes	william.lutes@dentalfixrx.com	Clemmons	North Carolina	336-705-3471
Tony Bakhshandeh	Tony.bak@dentalfixrx.com	Greensboro	North Carolina	919-641-9140
John Bastone (2 units)	john.bastone@dentalfixrx.com	Wake Forest	North Carolina	919-426-9715
Tyler Thornberry	Tyler.thornberry@dentalfixrx.com	Cincinnati	Ohio	859-802-8255
Ted Chen*	Ted.chen@dentalfixrx.com	Columbus	Ohio	614-558-7822
Bill Fiscus	Bill.fiscus@dentalfixrx.com	Massillon	Ohio	330-316-3609

Peter Ritchey and Peter Strifler	Pete.ritchey@dentalfixrx.com; Pete.strifler@dentalfixrx.com	Massillon	Ohio	330-353-0567; 330-904-8133
Peter Strifler	Pete.strifler@dentalfixrx.com	Massillon	Ohio	330-904-8133
Peter Ritchey	Pete.ritchey@dentalfixrx.com	Solon	Ohio	330-353-0567
John McConaughy	John.mcconaughey@dentalfixrx.com	Southington	Ohio	330-986-6228
Fai Leung*	fai.leung@dentalfixrx.com	Springboro	Ohio	937-231-3611
Timothy Bauserman	Timothy.bauserman@dentalfixrx.com	Zanesville	Ohio	740-683-6459
Dennis Doherty	Dennis.doherty@dentalfixrx.com	Beaverton	Oregon	503-616-4868
Robert Buckholt	robert.buckholt@dentalfixrx.com	Portland	Oregon	503-422-7492
John Caperelli	John.caperelli@dentalfixrx.com	Dillsburg	Pennsylvania	717-817-7622
Kelvin Hall	kelvin.hall@dentalfixrx.com	Goose Creek	South Carolina	318-407-1218
Dennis Hunter	dennis.hunter@dentalfixrx.com	Lexington	South Carolina	803-546-1200
Mark Hedman	mark.hedman@dentalfixrx.com	North Augusta	South Carolina	803-226-6518
Joe Fix	Joe.fix@dentalfixrx.com	Hermitage	Tennessee	573-475-0059
Brett Peaks	Brett.peaks@dentalfixrx.com	Nashville	Tennessee	615-828-6861
Joseph Mawhinney	Joe.mawhinney@dentalfixrx.com	Norris	Tennessee	865-243-7653
Humberto Gomez	humberto.gomez@dentalfixrx.com	Arlington	Texas	817-915-6110
Ivanna Chornobroff	ivanna.chornobroff@dentalfixrx.com	El Paso	Texas	915-201-9233
Michael Ryan	Michael.ryan@dentalfixrx.com	Fort Worth	Texas	817-991-9222
Jason Ehler	Jason.ehler@dentalfixrx.com	Giddings	Texas	979-540-7317
Thomas Love	thomas.love@dentalfixrx.com	Grand Prairie	Texas	562-644-5120
Roman LaRue and Lucas Tomas (2 units)	roman.larue@dentalfixrx.com	Houston	Texas	832-477-6806 832-922-2449
Mario Garcia	Mario.garcia@dentalfixrx.com	Houston	Texas	713-498-9727
Anthony Tolder	anthony.tolder@dentalfixrx.com	Katy	Texas	832-330-8344
Michael Leonard (2 units)	michael.leonard@dentalfixrx.com	San Antonio	Texas	210-268-4034
Pedro Gonzalez	Pedro.gonzalez@dentalfixrx.com	Sugarland	Texas	281-772-3798
Gregory Easley	gregory.easley@dentalfixrx.com	Temple	Texas	254-718-3245
David Howard	david.howard@dentalfixrx.com	Wylie	Texas	214-394-1546
Philip May (2 units)	phil.may@dentalfixrx.com	Draper	Utah	801-230-4592
Brandon Moore	brandon.moore@dentalfixrx.com	Gainesville	Virginia	540-270-9944
William Hall	William.hall@dentalfixrx.com	Manassas Park	Virginia	703-505-9112
Jason Patrick	Jason.patrick@dentalfixrx.com	Virginia Beach	Virginia	757-602-3548
Ron Crigger	Ron.crigger@dentalfixrx.com	Spokane	Washington	509-723-8091
Chong Vue	chong.vue@dentalfixrx.com	Green Bay	Wisconsin	920-412-6635

Robert Pabelick	robert.pabelick@dentalfixrx.com	New Berlin	Wisconsin	414-531-8307
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\* indicates that the franchisee has another franchise agreement signed but has not yet commenced operation under that agreement.

Franchise Owners Who Have Signed a Franchise Agreement but Have not yet Opened			
Eric Pujols	Ericjr713@yahoo.com	Lawndale, California	310-428-5230
Majid Sabour		Los Angeles, California	914-275-7305
Scott Norton		Poway, California	808-799-0773
Marco Sollai		Ormond Beach, Florida	850-339-9355
Eric Faurot	hangboom@icloud.com	Kapolei, Hawaii (2 units)	808-306-8471
William Fuchs		Mundelein, Illinois	847-207-9434
Greg Henricks		Indianapolis, Indiana	317-294-9960
Jeremy Allen		Lowell, Indiana	219-712-2018
Pham Hien		Gretna, LA	504-616-1126
Fathollah Rosouli		Catonsville, Maryland	443-825-1191
Mekdim Tesfaye		Hyattsville, Maryland	703-861-6052
Cornelius Peterson		Sumrall, Mississippi	601-447-0759
Mihir Unaliya		West Berlin, New Jersey	856-522-9692
Edward Crespín		Rio Rancho, New Mexico	505-220-1846
Timothy Turner		Elmont, New York	516-428-6543
Michael Coticchio		Wantaugh, New York	347-613-2265
Roger Ferrere		Mooreville, North Carolina	984-234-2484
Roger Dyson		Greenville, Ohio	937-417-0365
Chanel Howard		McKees Rocks, Pennsylvania	412-600-6532
Mario Garcia		Conroe, Texas	713-498-0727
Tung Tao		Richardson, Texas	469-321-6507
Kathir Kamatchi		Sugarland, Texas	832-916-5000

## **EXHIBIT E-2**

### **LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM**

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

The following former franchisees had a franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the disclosure document issuance date:

<b>Franchise Owners Who Have Left the System</b>		
<b><u>Name</u></b>	<b><u>City, State</u></b>	<b><u>Phone</u></b>
Roger Roberson	Hampton Cove, AL	910-709-8439
Scott Flanery	Cave Creek, AZ	602-206-8266
Carol Boyle	Mesa, AZ	480-365-8922
Arturo and Jennifer Mondragon	Crossett, AR	870-415-0874
Nelson Rodrigues	Alameda, CA	510-629-4649
Jay Jones	Clovis, CA	559-960-4909
Mark Sherman and Ruben Grossberg	Encino, CA	818-780-9902 818-481-3490
Christopher Barnett	Granite Bay, CA	916-257-6124
Shane Ludlow	Oceanside, CA	760-420-8683
Steven Moore	San Diego, CA	317-626-7515
Thomas Palmer	Solvang, CA	805-245-3514
Michael Michalkiewicz *Terminated Q1 2017	Lakewood, CO	720-252-5957
Robert Mackey	Estero, FL	239-273-2683
Angel Ginorio	Orange City, FL	407-221-7231
Jorge Valenzuela	Orlando, FL	407-922-0602
David Beiner	Weston, FL	305-333-7713
Blake Corder *Terminated Q1 2017	Shreveport, LA	318-505-9230
William and Lance Zechmann *Terminated Q1 2017	Omaha, NE	402-750-3086 402-750-5025
Michael (Scott) Ehle	Perrysburg, OH	317-517-8733
William Mullen	Toledo, OH	419-356-5741
David Brennen	Wexford, PA	412-370-4922
Ramon Gonzalez	San Juan, PR	787-507-4700
Jeffrey Carlson	East Greenwich, RI	401-623-6293
Mark Hedman *Terminated Q1 2017	North Augusta, SC	803-226-6518
Joseph Fix	Hermitage, TN	573-475-0059

*Terminated Q1 2017		
Scott Welch	Allen, TX	214-679-7255
Gregory Easley *Terminated Q1 2017	Belton, TX	254-718-3245
Ivanna Chornobroff *Terminated Q1 2017	El Paso, TX	915-201-9233
Mario Carrasco	McKinney, TX	432-290-4044
Mark McDonald	Leesburg, VA	240-477-2764
Ibrahim Zuhair	Springfield, VA	571-581-0405
Nasir Abbas	Seattle, WA	Deceased
If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.		



**EXHIBIT F**  
**AUDITED FINANCIAL STATEMENTS**

**Dental Fix RX, LLC**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**With**  
**INDEPENDENT AUDITOR'S REPORT**  
**December 31, 2016**

**Dental Fix RX, LLC**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2016**

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**LERRO & CHANDROSS, PLLC**

*Certified Public Accountants and Consultants*

To the Members of  
Dental Fix Rx, LLC

*INDEPENDENT AUDITOR'S REPORT*

We have audited the accompanying financial statements of Dental Fix RX, LLC, a Florida corporation, which comprise the balance sheet as of December 31, 2016, and the related statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dental Fix RX, LLC, as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Lerro and Chandross, PLLC  
Boca Raton, Florida

March 15, 2017

**Dental Fix Rx, LLC**  
**Consolidated Balance Sheet**  
**December 31, 2016**

**Assets**

**Current Assets**

Cash and Equivalents	\$ 689,024
Accounts Receivable, net of allowance for doubtful accounts of \$155,035	724,118
Current Portion of Notes Receivable	54,409
Inventory	239,308
Due from Related Parties	8,465
Other Current Assets and Prepaid Expenses	<u>361,661</u>

Total Current Assets \$ 2,076,985

**Fixed Assets, net of accumulated depreciation of \$106,225** 74,310

**Other Assets**

Notes Receivable, net of current portion of \$54,409 and allowance of \$42,746	191,413	
Refundable Deposits	11,342	
Software Costs, net of accumulated amortization of \$163,675	<u>202,139</u>	<u>404,894</u>

**Total Assets** \$ 2,556,189

**Liabilities and Member's Equity**

**Current Liabilities**

Accounts Payable	\$ 308,842
Current Portion of Long-Term Debt	11,195
Other Current Liabilities and Accrued Expenses	<u>229,569</u>

Total Current Liabilities \$ 549,606

**Long-Term Debt, net of current portion** 40,987

**Deferred Revenue** 1,071,959

**Member's Equity** 893,637

**Total Liabilities and Member's Equity** \$ 2,556,189

See Independent Auditor's Report and Notes to Consolidated Financial Statements.

**Dental Fix Rx, LLC**  
**Consolidated Statement of Operations and Member's Equity**  
**For the Year Ending December 31, 2016**

<b>Revenue</b>		\$ 9,920,861
<b>Costs and Expenses</b>		
Supplies and Other Direct Expenses	\$ 4,682,939	
General and Administrative Expenses	3,945,029	
Interest Expense	5,177	
Depreciation and Amortization	<u>111,959</u>	
	Total	<u>8,745,104</u>
<b>Profit before Interest Income</b>		1,175,757
<b>Interest Income</b>		<u>8,045</u>
<b>Net Profit</b>		1,183,802
<b>Member's Equity</b>		
Beginning of Year		537,721
Contributions from Members		6,000,000
Distributions to Members		<u>(6,827,886)</u>
End of Year		<u><u>\$ 893,637</u></u>

See Independent Auditor's Report and Notes to Consolidated Financial Statements.

**Dental Fix Rx, LLC**  
**Consolidated Statement of Cash Flows**  
**For the Year Ending December 31, 2016**

**Cash Flows from Operating Activities**

Net Profit	\$ 1,183,802	
Adjustments to reconcile net profit to net cash realized by operating activities		
Depreciation and Amortization	111,959	
(Increase) Decrease in:		
Accounts Receivable	(478,175)	
Inventory	(110,825)	
Other Current Assets and Prepaid Expenses	(82,285)	
Increase (Decrease) in:		
Accounts Payable	36,652	
Deferred Revenue	228,277	
Other Current Liabilities and Accrued Expenses	<u>(40,910)</u>	
Net Cash Realized by Operating Activities	\$	848,495

**Cash Flows from Investing Activities**

Acquisition of Amortizable and Depreciable Assets	<u>(195,805)</u>	
Net Cash Utilized by Investing Activities		(195,805)

**Cash Flows from Financing Activities**

Contributions from Members	6,000,000	
Distributions to Members	(6,827,886)	
Increase in Notes Receivable	(108,412)	
Decrease in Due from Related Parties	326,607	
Decrease in Note Payable to Bank	(8,799)	
Decrease in Non-Bank Notes Payable	<u>(11,217)</u>	
Net Cash Utilized by Financing Activities		<u>(629,707)</u>
Net Increase in Cash and Equivalents		22,983

**Cash and Equivalents**

Beginning of Year	<u>666,041</u>	
End of Year	<u>\$</u>	<u>689,024</u>

**Supplemental Disclosure**

Interest Paid	\$	5,127
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See Independent Auditor's Report and Notes to Consolidated Financial Statements.

**Dental Fix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016**

**Note 1 – Organization and Operations**

Dental Fix Rx, LLC “the Company” was organized as a limited liability company under the laws of the State of New Jersey on June 26, 2009. The Company was registered to do business in Florida on September 17, 2009. On December 11, 2015, the Company converted into a Florida Limited Liability Company and subsequently terminated its New Jersey status. The offices are located in Davie, Florida. Pursuant to the Florida Statutes a member or manager of a Florida Limited Liability Company is not personally liable, directly or indirectly for a debt, obligation or other liability of the company.

The Company is primarily engaged in the business of offering franchises for the operation of mobile service centers which provide equipment sales, consumable products, repairs and maintenance to dentists and other health care providers. The latest Franchise Disclosure Document had an issuance date of March 20, 2016.

The acquisition of a franchise entitles the franchisee to a specified number of clinics, which typically includes between 50 and 350 Clinics in a defined territory. The Company provides support services, marketing activities and management services to the franchisees.

**Note 2 - Summary of Significant Accounting Policies**

*Principles of Consolidation* – The accompanying financial statements include the accounts of the Company and a variable interest entity “VIE” for which the Company is considered to be the primary beneficiary (see Note 13).

*Cash and Equivalents* - All cash and money market accounts are reported as cash and cash equivalents.

*Accounts Receivable* - Accounts receivable are carried at the original invoiced amount. There is an annual review and an allowance is made for significantly past due accounts or for accounts that management feels will not be collected. In most cases, the reserve is made for 100% of such accounts. There is no reserve set for accounts that are not past due or where management has determined that 100% of the balance due will be collected.

*Notes Receivable* – There is an annual review and an allowance is made for significantly past due notes that management feels will not be collected. The Company’s policy is to record a 100% reserve for amounts that are deemed uncollectible. Notes are not placed on nonaccrual status until such time that the notes are deemed uncollectible (see Note 4).

*Inventory* – The inventory is comprised primarily of parts and supplies used for repair services and for resale to the franchisees and other health care providers. The weighted average cost method is used to value the inventory on hand.

*Impairment of Long-lived Assets* – Fixed assets are reviewed for impairment in the fourth quarter and whenever events or circumstances indicate the carrying amount may not be recoverable. If the sum of the expected discounted cash flow is less than the carrying value of the related assets or group of assets, a loss is recognized for the difference between fair value and the carrying value of the related asset or group of assets. During the current year, no impairment or disposal took place.



**Dental Fix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016**

**Note 2 - Summary of Significant Accounting Policies (continued)**

The Company uses the straight-line method of amortization and depreciation over estimated useful lives as follows:

Fixtures and Equipment	5 – 7 years
Leasehold Improvements	7 years
Computer Software	3 years

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

*Revenue Recognition* – The Company’s primary source of revenue is from the sale of franchises, corporate support fees, equipment, parts, supplies and services rendered to the franchisees. The Company does not charge royalty fees.

Sale of Franchises: Revenue from the sale of franchises primarily comprises fees from franchising, licensing, training and van setup. In accordance with Statement of Financial Accounting Standards No. 45, “Accounting for Franchise Fee Revenue”, all revenue earned from the sale of franchises is recorded when all material services or conditions relating to the sales have been substantially performed or satisfied by the franchisor or area developer. The Company considers the revenue earned when the franchise is launched after the completion of training.

Foreign franchisees are primarily operated through licenses sold to master franchisees. Each license agreement is reviewed to determine the method of revenue recognition. In 2016, there were no licenses sold. Monthly fees received from licensees sold in prior years are recognized when invoiced.

Corporate Support Fees: The Company charges franchisees for corporate support fees. Other fees charged to the franchisees include, accounting services, software and marketing fees. All these fees are recognized when invoiced.

Equipment, Parts, Supplies and Services: The Company recognizes revenues from the sale of parts, supplies and repairs services when the products are shipped to the customers or when services are performed.

*Advertising* - The Company expenses advertising costs as they are incurred. Advertising expenses for the year amounted to \$218,279. Additionally, the Company segregates marketing contributions made by the franchisees into a liability account to be utilized in specified territories. As of December 31, 2016, the balance deferred in connection with marketing costs was \$42,720.

*Income Taxes* - The Company is a limited liability company. Accordingly, under the internal revenue code, all taxable income or loss flows through to its members. Therefore, no income tax expense or liability is recorded in the accompanying financial statements. The Company’s income tax returns have never been examined; the years ending December 31, 2013 through December 31, 2015 are still open and subject to examination.

**Dental Fix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016**

**Note 2 - Summary of Significant Accounting Policies (continued)**

*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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amount of revenue and expenses during the audit period. Actual results could differ from those estimates.

*Fair Value of Financial Instruments*. The Company has determined the estimated fair value amounts presented in these financial statements using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in these financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. The Company bases these fair value estimates on pertinent information available to them as of the end of each reporting period or at the time such amounts are recorded.

The carrying values of cash and equivalents, receivables, advances, accounts payable and bank debt approximate fair value because of the short-term maturities of these financial instruments.

*Fair Value Measurements*. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value measurements are not adjusted for transaction costs. There is a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (level 3). The three levels are defined as follows:

- Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.
- Level 2 - inputs to the valuation methodology include quoted prices in markets that are not active or quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 - inputs to the valuation methodology are unobservable, reflecting the entity's own assumptions about assumptions market participants would use in pricing the asset or liability.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

**Note 3 – Accounts Receivable and Bad Debts**

Accounts receivable consist primarily of amounts due from franchisees and other customers for the sales of franchise, training, equipment, parts and other support services. As of December 31, 2016, accounts receivable in the amount of \$724,118 (net of \$155,035 allowance for uncollectible accounts) are reflected on the balance sheet. Bad debt expense amounted to \$202,986.

**Dental Fix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016**

**Note 4 – Notes Receivable**

From time to time the Company and the VIE will extend terms, covered by a note, to their franchisees or their franchisees customers. These notes are generally without collateral. Interest rates on the notes vary. At the end of the year the balance of the notes receivable amounted to \$245,822, of which \$54,409 is due within the next twelve months.

**Note 5 – Fixed Assets**

Fixed assets are summarized by major classifications as follow:

Fixtures and Equipment	\$ 172,535
Leasehold Improvements	<u>8,000</u>
Sub-total	180,535
Less Accumulated Depreciation	<u>(106,225)</u>
Net Value	<u>\$ 74,310</u>

**Note 6 – Other Current Assets and Prepaid Expenses**

Other current assets and prepaid expenses consist of the following:

Deferred Commissions	\$ 236,600
Prepaid Commissions	38,996
Prepaid Insurance	64,639
Prepaid Rent	10,915
Employee Advances	<u>10,511</u>
Total	<u>\$ 361,661</u>

The deferred commissions resulted from the sales of franchises where the revenue has been deferred.

**Note 7 – Summary of Franchise Costs, Territories and Revenues**

The total investment necessary to begin operating a franchise (excluding the cost of a van) for the period of January through November 2016 was from \$77,100 to \$118,000, if the territory comprised of 250 clinics or less; and \$100,100 to \$183,000, if the territory exceeded 250 clinics. As of December 1, 2016, the Company lowered the cost required to purchase a franchise, training and van setup by \$37,000 for all territories.

During 2016, the Company sold 38 franchises and as of December 31, 2016, had launched 20 of them. The Company had a total of 104 opened domestic franchises at the end of 2016. In addition, the Company has master licenses covering the Provinces of Ontario and Vancouver, Canada.

**Dental Fix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016**

**Note 7 – Summary of Franchise Costs, Territories and Revenues (continued)**

Revenue comprises the following:

Franchising, Training and Licensing	\$ 1,193,200
Corporate Support Fees	2,786,639
Van Setup	751,548
Parts, Supplies and Repairs Services	<u>5,189,474</u>
Total	<u>\$ 9,920,861</u>

Revenue has been deferred in the amount of \$1,071,959 (see Note 2, Revenue Recognition). This amount is comprised of fees received from the sale of 34 franchises amounting to \$1,041,959 and fees of \$30,000 in connection with the transfer of two franchises.

**Note 8 – Other Current Liabilities and Accrued Expenses**

Other Current Liabilities and Accrued Expenses consist of the following:

Payroll	\$ 70,400
Payroll Taxes	8,671
Sales Tax Payable	103
Commissions	70,545
Customer Deposits	14,730
Legal Expenses	22,400
Franchisee Marketing Contributions	<u>42,720</u>
Total	<u>\$ 229,569</u>

**Note 9 – Notes Payable and Long-Term Debt**

Long-term debt consists of three notes, payable to a related party, that had a balance at December 31, 2016, of \$52,182. The loans, made specifically to finance loans made by the VIE, are payable to the related party based on collections. The interest ranges from 7% to 10% per annum. The amount due within the next twelve months is approximately \$11,195.

**Note 10 – Member's Equity**

On February 12, 2016, the Company's Operating Agreement was amended and restated primarily for the admission of a new member. Pursuant to the amended and restated operating agreement ownership is represented by one thousand "common shares" that were issued and outstanding as of December 31, 2016. The "common shares" are owned by three legal entities (the members). The members, among other things, elect a Board of Directors that consist of five individuals that are responsible for the operation of the Company.

**Dental Fix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016**

**Note 10 – Member’s Equity (continued)**

The new member referred to above purchased 20% of the “common shares” for six million dollars. Contemporaneously with the purchase the preexisting members redeemed 20% of their shares for an equal value. The redemption is included in the distribution to members.

**Note 11 – Pension Plan**

The Company has a 401K Profit Sharing Plan that was affected January 1, 2013. The plan, among other things, covers all employees who work greater than 30 hours per week, are at least 21 years of age and have performed at least six months service.

The Company may make matching contributions equal to a discretionary percentage determined by the Company. For the year 2016, the Company has chosen not to make any contribution.

**Note 12 - Related Party Transactions**

The Company Board has sole discretion regarding its Members' compensation. For the current year, excluding any Company perks, compensation paid to or on behalf of the Managing Member amounted to \$351,658. Perks amounted to \$42,452.

Revenue from related parties totaled \$217,303, which includes \$153,899 generated by the Managing Member’s owned franchise.

The Company borrowed \$70,950 from the Managing Member and has signed three notes. The balance due on these notes at December 31, 2016 was \$52,182. The loan was made specifically to finance certain loans made by the VIE and is payable based on collections of the underlying loans made by the VIE. The interest ranges from 7% to 10% per annum.

The Company shares offices with commonly owned companies. Rent, payroll and other operating expenses are prorated

See other Related Party transactions in Note 15.

**Note 13 – Variable Interest Entity**

The Company has consolidated a company under common control that has been deemed to be a variable interest entity (VIE) under Statement of Financial Accounting Standards No. 167. The interpretation requires the consolidation of an entity in which an enterprise absorbs a majority of the entity’s expected losses, receives a majority of the entity’s expected residual returns, or both, as a result of ownership, contractual or other financial interests in the entity.

**Dental Fix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016**

**Note 13 – Variable Interest Entity (continued)**

The VIE was formed as a limited liability company on May 12, 2010 by some of the Members of Dental Fix Rx, LLC. It was formed for the purpose of financing fees of franchises sold by the Company. If the financed fees are not paid and the collateral (see Note 4) is insufficient to satisfy the balances the VIE will have recourse against the Company. All assets and liabilities of the VIE have been included in the financial statements and comprise the following:

Assets	<u>\$ 259,328</u>
Liabilities	<u>\$ 388,049</u>
Member's Deficiency	<u>\$ (128,721)</u>

Included in the liabilities is an amount due to Dental Fix Rx, LLC, of \$335,405, which has been eliminated in consolidation.

**Note 14 - Concentrations of Risk**

The Company maintains its cash in bank deposit, which, at times, may exceed federally insured limits. The balances are insured by the FDIC up to \$250,000. At December 31, 2016, the Company had a balance in their operating account that was in excess of insured limits.

**Note 15 – Commitments and Contingencies**

*Commitments:*

The Company leases its offices in Davie, Florida. Net rent expense for 2016 was \$115,475.

On May 1, 2010, the Company entered into a five-year lease expiring June 30, 2015, which has been extended to June 30, 2020. Some of the office space is sub-leased (see related party transactions).

Future minimum operating lease payments under this lease is as follows:

2017	\$123,417
2018	128,354
2019	133,488
2020	<u>68,052</u>
Total	<u>\$453,311</u>

**Dental Fix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016**

**Note 15 – Commitments and Contingencies (continued)**

*Contingencies:*

The Company is a defendant in two lawsuits.

The first action, brought by a former franchisee, alleges violations in connection with the offer and sale of a franchise. A settlement was reached as of December 31, 2016, and all costs and settlement expenses have been expensed in the current year.

The second action is a class action claiming that the Company violated the telephone Consumer Protection Act. The Company has asserted affirmative defenses and has moved to stay the case pending a Petition for Retroactive Waiver by the Federal Communications Commission. No discovery has taken place. An evaluation of the outcome has not been made.

Management believes the ultimate outcome of the second action will not have a material effect on the Company's financial position.

**Note 16 – Subsequent Events**

The subsequent events have been evaluated through March 15, 2017, the date the financial statements were available to be issued. As of that date, the following subsequent event is reported:

On February 7, 2017, the Company entered into an agreement to purchase the assets of an entity that provides dental equipment repairs. The purchase price was \$1,091,000. The Company issued two promissory notes to a Related Party totaling \$1,045,500 to finance the purchase.

The first promissory note in the amount of \$850,000, dated February 8, 2017, requires a payment of principle and interest of \$5,898 on March 1, 2017 and regular monthly payments thereafter of principle and interest in the amount of \$7,173 commencing on April 1, 2017, and ending on January 31, 2022. The interest rate is six percent (6%) per annum.

The second promissory note in the amount of \$195,500, dated February 8, 2017, requires monthly payments of interest only commencing on March 5, 2017 until maturity. The interest rate is five percent (5%) per annum. The principle is due in three equal installments beginning in March 2018.

The Company has granted the Related Party a security interest in all of the assets of the Company.

**LERRO & CHANDROSS, PLLC**

*Certified Public Accountants and Consultants*

March 15, 2017

Board of Directors and Management  
Dental Fix RX, LLC

As a result of our audit of the financial statements of Dental Fix RX, LLC, as of December 31, 2016, we are bringing the following recommendations to your attention:

1. The Company should write off employee advances in connection with Grisel Lopez, in the amount of \$93.60, since the Company does not expect to collect.
2. Check #12157, payable to Beaverstate Dental, in the amount of \$30, is outdated and should be voided or reissued.
3. In addition to reconciling credit cards per their corresponding closing dates, management should consider reconciling them as of month end.
4. Management should consider deferring revenue in connection with unlaunched franchises at the time of sale and only recognizing the revenue in the income statement when the franchise is launched.
5. The Company should establish revenue cutoff procedures to ensure that sales are recorded in the proper period. In addition, matching expenses with the revenues they generate allow for a more objective analysis of profits.

The revenue recognition policies in place should be defined so that all staff knows when revenue should be recognized, whether when the product is shipped or when the product is delivered. The revenue and receivable should be recorded in the accounting system according to this revenue recognition policy. The accounts receivable ledger should be kept open a couple weeks after the year end to ensure that all sales are recorded. Any deposits received for products that have not been shipped or delivered before the year end, should not be recorded as revenue but should be reflected as unearned revenue or deposits in your accounting system. The expenses and payable in connections with the sales should all be recorded in the same period as well.

6. Management should make sure that the 2017 annual report has been filed. The deadline is May 1<sup>st</sup>.
7. Management should not group vendor invoices under "miscellaneous" on the accounts payable schedule. Instead, the complete name of the vendor should be disclosed. In addition, debits to accounts payable other than credit memos from vendors should be approved by the controller or other authorized management personnel.

We look forward to discussing the above recommendations with you.

*Lerro & Chandross PLLC*

Lerro and Chandross, PLLC

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TELEPHONE (561) 995-0064 • (800) 795-9524 • FAX (561) 995-7551



**Dentalfix RX, LLC**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**With**  
**INDEPENDENT AUDITOR'S REPORT**  
**December 31, 2015**

**Dentalfix RX, LLC**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2015**

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**LERRO & CHANDROSS, PLLC**

*Certified Public Accountants and Consultants*

To the Members of  
Dentalfix Rx, LLC  
Davie, FL

*INDEPENDENT AUDITOR'S REPORT*

We have audited the accompanying consolidated balance sheet of Dentalfix Rx, LLC as of December 31, 2015, and the related consolidated statements of operations and member's equity, and cash flows for the year ending December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dentalfix Rx, LLC, as of December 31, 2015 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Lerro & Chandross PLLC*

Lerro and Chandross, PLLC  
Boca Raton, Florida  
March 8, 2016

**Dentalfix Rx, LLC**  
**Consolidated Balance Sheet**  
**December 31, 2015**

**Assets**

**Current Assets**

Cash and Equivalents	\$ 666,041
Accounts Receivable, net of allowance for doubtful accounts of \$13,045	245,943
Current Portion of Notes Receivable	37,155
Inventory	128,483
Due from Related Parties	335,072
Other Current Assets and Prepaid Expenses	<u>279,376</u>

Total Current Assets \$ 1,692,070

**Fixed Assets, net of accumulated depreciation of \$85,057** 61,020

**Other Assets**

Notes Receivable, net of current portion	100,255	
Refundable Deposits	11,342	
Software Costs, net of accumulated amortization of \$72,884	<u>131,582</u>	<u>243,179</u>

**Total Assets** \$ 1,996,269

**Liabilities and Member's Equity**

**Current Liabilities**

Accounts Payable	\$ 272,191
Current Portion of Long-Term Debt	8,101
Note Payable to Bank	8,799
Other Current Liabilities and Accrued Expenses	<u>270,478</u>

Total Current Liabilities \$ 559,569

**Long-Term Debt, net of current portion** 55,298

**Deferred Revenue** 843,681

**Member's Equity** 537,721

**Total Liabilities and Member's Equity** \$ 1,996,269

See Independent Auditor's Report and Notes to Consolidated Financial Statements.

**Dentalfix Rx, LLC**  
**Consolidated Statement of Operations and Member's Equity**  
**For the Year Ending December 31, 2015**

<b>Revenue</b>	\$ 9,580,913
<b>Costs and Expenses</b>	
Supplies and Other Direct Expenses	\$ 3,830,536
General and Administrative Expenses	3,916,821
Interest Expense	13,714
Depreciation and Amortization	<u>67,152</u>
Total	<u>7,828,223</u>
<b>Profit before Interest Income</b>	1,752,690
<b>Interest Income</b>	<u>10,319</u>
<b>Net Profit</b>	1,763,009
<b>Member's Equity</b>	
Beginning of Year	374,712
Distributions to Members	<u>(1,600,000)</u>
End of Year	<u><u>\$ 537,721</u></u>

See Independent Auditor's Report and Notes to Consolidated Financial Statements.

**Dentalfix Rx, LLC**  
**Consolidated Statement of Cash Flows**  
**For the Year Ending December 31, 2015**

**Cash Flows from Operating Activities**

Net Profit	\$ 1,763,009
Adjustments to reconcile net profit to net cash realized by operating activities	
Depreciation and Amortization	67,152
Loss on Disposal of Equipment	1,597
(Increase) Decrease in:	
Accounts Receivable	328,484
Inventory	(73,197)
Other Current Assets and Prepaid Expenses	75,639
Refundable Deposits	(2,603)
Increase (Decrease) in:	
Accounts Payable	117,804
Deferred Revenue	(318,510)
Other Current Liabilities and Accrued Expenses	15,528
	<hr/>
Net Cash Realized by Operating Activities	\$ 1,974,903

**Cash Flows from Investing Activities**

Acquisition of Amortizable and Depreciable Assets	<hr/> (136,629)
Net Cash Utilized by Investing Activities	(136,629)

**Cash Flows from Financing Activities**

Distributions to Members	(1,600,000)
Increase in Notes Receivable	(31,349)
Decrease in Due from Related Parties	83,870
Decrease in Note Payable to Bank	(24,048)
Decrease in Non-Bank Notes Payable	<hr/> (124,789)
Net Cash Utilized by Financing Activities	<hr/> (1,696,316)
Net Increase in Cash and Equivalents	141,958

**Cash and Equivalents**

Beginning of Year	<hr/> 524,083
End of Year	<hr/> <hr/> \$ 666,041

**Supplemental Disclosure**

Interest Paid	\$ 13,810
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See Independent Auditor's Report and Notes to Consolidated Financial Statements.

**Dentalfix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

**Note 1 – Organization and Operations**

Dentalfix Rx, LLC “the Company” was organized as a limited liability company under the laws of the State of New Jersey on June 26, 2009. The Company was registered to do business in Florida on September 17, 2009. On December 11, 2015 the Company converted into a Florida Limited Liability Company and subsequently terminated its New Jersey status. The offices are located in Davie, Florida. Pursuant to the Florida Statutes a member or manager of a Florida Limited Liability Company is not personally liable, directly or indirectly for a debt, obligation or other liability of the company.

The Company offers franchises for the operation of mobile service centers which provide equipment maintenance, service and repair, equipment sales, hand piece repair and consumable products to dentists and dental practices. The latest Franchise Disclosure Document had an issuance date of March 23, 2015

The acquisition of a franchise entitles the franchisee to a specified number of clinics, which typically includes between 50 and 350 Clinics in a defined territory. The Company provides support services, marketing activities and management services for the franchisees.

Management has assessed subsequent events through March 8, 2016, the date which these financial statements were available to be issued.

**Note 2 - Summary of Significant Accounting Policies**

*Principles of Consolidation* – The accompanying financial statements include the accounts of the Company and a variable interest entity “VIE” for which the Company is considered the primary beneficiary (see note 12).

*Cash and Equivalents* - All cash and money market accounts are reported as cash and equivalents.

*Accounts Receivable* - Accounts receivable are carried at the original invoiced amount. There is an annual review and an allowance is made for significantly past due accounts or for accounts that management feels will not be collected. In most cases the reserve is made for 100% of such accounts. There is no reserve set for accounts that are not past due or where management has determined that 100% of the balance due will be collected.

*Notes Receivable* – There is an annual review and an allowance is made for significantly past due notes that management feels will not be collected. The Company’s policy is to record a 100% reserve for amounts that are deemed uncollectible. Notes are not placed on nonaccrual status until such time that the notes are deemed uncollectible (see note 4).

*Inventory* – The inventory is comprised primarily of parts and supplies that are for resale to the franchisees. The inventory is valued at the lower of cost or market.

*Impairment of Long-lived Assets* – Fixed assets are reviewed for impairment in the fourth quarter and whenever events or circumstances indicate the carrying amount may not be recoverable. If the sum of the expected discounted cash flow is less than the carrying value of the related assets or group of assets, a loss is recognized for the difference between fair value and the carrying value of the related asset or group of assets. During the current year \$8,709 were considered impaired and disposed of.

**Dentalfix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

**Note 2 - Summary of Significant Accounting Policies (continued)**

The Company uses the straight-line method of amortization and depreciation over estimated useful lives as follows:

Fixtures and Equipment	5 – 7 years
Leasehold Improvements	7 years
Computer Software	3 years

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

*Revenue Recognition* – The Company’s primary source of income is revenue from the sale of franchises and related services rendered to the franchisees. The Company does not charge royalty fees.

Revenue from the sale of franchises primarily comprises franchise, license and the training fees. In accordance with Statement of Financial Accounting Standards No. 45, “Accounting for Franchise Fee Revenue” all revenue earned from the sale of franchises is recorded when all material services or conditions relating to the sales have been substantially performed or satisfied by the franchisor or area developer. The Company considers the revenue earned when the franchise is launched at the completion of training.

Foreign franchisees are primarily operated through licenses sold to master franchisees. Each license agreement is reviewed to determine the method of revenue recognition. In 2015 there were no licenses sold. Monthly fees received from licensees sold in prior years are recognized when invoiced.

Corporate Support Fees, Etc – The Company charges franchisees for corporate support fees that are utilized for Company’s operating expenses relating to the franchisees. Other fees charged to the franchisees include, bookkeeping and reporting fees and software licensing fees. All these fees are recognized when invoiced.

*Advertising* - The Company expenses advertising costs as they are incurred. Advertising expenses for the year amounted to \$173,285. Additionally, the Company segregates marketing contributions made by the franchisees into a liability account to be utilized in specified territories. As of December 31, 2015 the balance of deferred marketing costs was \$6,103.

*Income Taxes* - The Company is a limited liability company. Accordingly, under the internal revenue code, all taxable income or loss flows through to its members. Therefore, no income tax expense or liability is recorded in the accompanying financial statements. The Company’s income tax returns have never been examined; the years ending December 31, 2012 through 2014 are still open and subject to examination.



**Dentalfix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

**Note 2 - Summary of Significant Accounting Policies (continued)**

*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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amount of revenue and expenses during the audit period. Actual results could differ from those estimates.

*Fair Value of Financial Instruments*: The Company has determined the estimated fair value amounts presented in these financial statements using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in these financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. The Company bases these fair value estimates on pertinent information available to them as of the end of each reporting period or at the time such amounts are recorded.

The carrying values of cash and equivalents, receivables, advances, accounts payable and bank debt approximate fair value because of the short-term maturities of these financial instruments.

*Fair value measurements*: Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value measurements are not adjusted for transaction costs. There is a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (level 3). The three levels are defined as follows:

- Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.
- Level 2 - inputs to the valuation methodology include quoted prices in markets that are not active or quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 - inputs to the valuation methodology are unobservable, reflecting the entity's own assumptions about assumptions market participants would use in pricing the asset or liability.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

**Note 3 – Accounts Receivable and Bad Debts**

Accounts receivables consist of amounts due from franchisees for the sale of parts, services rendered and unpaid franchise fees.

For the year, bad debt expense amounted to \$53,786. The total reserve at the end of the year was \$13,045.

**Dentalfix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

**Note 4 – Notes Receivable**

From time to time the Company and the VIE will extend terms, covered by a note, to their franchisees or their franchisees customers. These notes are generally without collateral. In addition the Company, through its VIE, (see note 12), may provide collateralized financing primarily to new franchisees. Interest rates on the notes vary. At the end of the year the balance of the notes receivable amounted to \$137,410.

**Note 5 – Fixed Assets**

Fixed assets are summarized by major classifications as follows:

Fixtures and Equipment	\$ 138,077
Leasehold Improvements	<u>8,000</u>
Sub-total	146,077
Less: Accumulated Depreciation	<u>(85,057)</u>
Net Value	<u>\$ 61,020</u>

**Note 6 – Franchise Agreement and Unearned Revenue**

The total investment necessary to begin operating a franchise is from \$97,600 to \$176,000. During 2015 the Company sold 49 franchised territories and as of December 31, 2015 had launched 33 of them. The Company had a total of 105 opened domestic franchised territories at the end of 2015. In addition, the Company has master licenses covering the Provinces of Ontario, Vancouver and Alberta, Canada. A franchise agreement for Mexico was signed in December 2014 and cancelled in 2015.

Revenue comprises the following:

Franchising, Training and Licensing	\$ 2,385,900
Corporate Support Revenue	2,119,597
Van Set-up	1,745,824
Parts, Supplies and Other	<u>3,329,592</u>
Total	<u>\$ 9,580,913</u>

\$843,681 deferred revenue was recorded on December 31, 2015 for 21 franchised territories that did not launch at the end of the year.

**Dentalfix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

**Note 7 – Accrued Expenses**

Other Current Liabilities and Accrued Expenses Consist of the following:

Payroll	\$ 56,228
Payroll Taxes	7,981
Commissions	45,750
Deferred Marketing Costs	6,103
Customer Deposit	154,367
Interest	<u>50</u>
Total	<u>\$ 270,479</u>

**Note 8 – Notes Payable and Long-Term Debt**

The Company has a two year line of credit bank note with a maximum amount of \$75,000 that was originated on March 7, 2014. The interest rate is prime plus 2% per annum and is collateralized by all of the Company's business assets. As of December 31, 2015 the outstanding unpaid balance was \$8,799.

Long-term debt consists of four notes, payable to a related party that had a balance at December 31, 2015 of \$63,399. The loan was made specifically to finance certain loans made by the VIE and is payable to the related party based on collections of the underlying loans made by the Company. The interest ranges from 7 to 10% per annum. The amount due within the next twelve months is \$8,101.

**Note 9 – Member's Equity**

An amended operating agreement was signed on July 1, 2011. Among other things, the members agreed to make additional cash contributions on an as needed basis. The members do not receive any interest on their capital contributions.

**Note 10 – Pension Plan**

The Company has a 401K Profit Sharing Plan that was affected January 1, 2013. The plan, among other things, covers all employees who work greater than 30 hours per week, are at least 21 years of age and have performed at least six months service.

The Company may make matching contributions equal to a discretionary percentage determined by the Company. For the year 2015 the Company has chosen not to make any contribution.

**Note 11 - Related Party Transactions**

The member/managers have sole discretion regarding their own compensation. For the current year, excluding any Company perks, compensation paid to or on behalf of the member/managers amounted to \$439,696. Perks amounted to \$70,637.

One of the members of the Company had ownership in one of the franchises. Revenue from this franchise was \$200,633.

**Dentalfix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

**Note 11 - Related Party Transactions (Continued)**

The Company borrowed \$70,950 from one of the members and has signed four notes. The balance due on these notes at December 31, 2015 was \$63,399. The loan was made specifically to finance certain loans made by the VIE and is payable based on collections of the underlying loans made by the VIE. The interest ranges from 7 to 10% per annum.

The Company shares offices with commonly owned companies. Rent and some expenses are prorated between the Companies.

On December 31, 2015 the Company had amounts due from related parties of \$335,072, of which \$285,000 was advanced against future distributions to members. It is the intent of management to have the distribution advances repaid from 2016 distributions.

If the Company had an independent board of directors the results of operations, cash flows and financial position of the Company could be significantly different.

**Note 12 – Variable Interest Entity**

The Company has consolidated a company under common control that has been deemed to be a variable interest entity (VIE) under Statement of Financial Accounting Standards No. 167. The interpretation requires the consolidation of an entity in which an enterprise absorbs a majority of the entity's expected losses, receives a majority of the entity's expected residual returns, or both, as a result of ownership, contractual or other financial interests in the entity.

The VIE was formed as a limited liability company on May 12, 2010 by some of the Members of Dentalfix Rx, LLC. It was formed for the purpose of financing fees of franchises sold by the Company. If the financed fees are not paid and the collateral (see note 4) is insufficient to satisfy the balances the VIE will have recourse against the Company. All assets and liabilities of the VIE have been included in the financial statements and comprise the following:

Assets	<u>\$ 125,520</u>
Liabilities	<u>\$ 229,804</u>
Member's Deficiency	<u>\$ (104,284)</u>

Included in the liabilities is an amount due to Dentalfix Rx, LLC of \$166,405 which has been eliminated in consolidation.

**Note 13 - Concentrations of Risk**

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The balances are insured by the FDIC up to \$250,000. At December 31, 2015, the Company had a balance in their operating account that was in excess of insured limits.

**Dentalfix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

**Note 14 – Commitments and Contingencies**

The Company leases its offices in Davie, FL. Net rent expense for 2015 was \$100,158.

On May 1, 2010 the Company entered into a five year lease expiring June 30, 2015 which has been extended to June 30, 2020. Some of the office space is sub-leased (see related party transactions).

Future minimum operating lease payments under this lease is as follows:

2016	\$ 118,670
2017	123,417
2018	128,354
2019	133,488
2020	68,053

The Company is a defendant in two lawsuits.

The first action, brought by a former franchisee, alleges violations in connection with the offer and sale of a franchise. The Company has asserted affirmative defenses and a counterclaim for breach of the franchise agreement. Discovery has commenced and is ongoing. An evaluation of the outcome has not been made.

The second action is a class action claiming that the Company violated the telephone Consumer Protection Act. Dentalfix has asserted affirmative defenses and has moved to stay the case pending the determination by the Federal Communications Commission of the Company's pending Petition for Retroactive Waiver. No discovery has taken place. An evaluation of the outcome has not been made.

Management believes the ultimate outcome of these lawsuits will not have a material effect on the Company's financial position.

**Dentalfix RX, LLC**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**With**  
**INDEPENDENT AUDITOR'S REPORT**  
**December 31, 2014**

**Dentalfix RX, LLC**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2014**

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LERRO & CHANDROSS, PLLC

*Certified Public Accountants and Consultants*

To the Members of  
Dentalfix Rx, LLC  
Davie, FL

*INDEPENDENT AUDITOR'S REPORT*

We have audited the accompanying consolidated balance sheet of Dentalfix Rx, LLC as of December 31, 2014, and the related consolidated statements of operations and member's deficiency, and cash flows for the year ending December 31, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dentalfix Rx, LLC, as of December 31, 2014 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Lerro & Chandross PLLC*

Lerro and Chandross, PLLC  
Boca Raton, Florida  
March 10, 2015



**Dentalfix Rx, LLC**  
**Consolidated Balance Sheet**  
**December 31, 2014**

**Assets**

**Current Assets**

Cash and Equivalents	\$ 524,083	
Accounts Receivable, net of allowance for doubtful accounts of \$21,954	574,427	
Current Portion of Notes Receivable	24,797	
Inventory	55,286	
Advances to Members	418,942	
Other Current Assets and Prepaid Expenses	<u>355,015</u>	
Total Current Assets		\$ 1,952,550

Fixed Assets, net of accumulated depreciation of \$72,464	56,486
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**Other Assets**

Notes Receivable, net of current portion	81,264	
Refundable Deposits	8,739	
Software Costs, net of accumulated amortization of \$116,723	<u>68,238</u>	<u>158,241</u>

Total Assets	<u><u>\$ 2,167,277</u></u>
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**Liabilities and Member's Equity**

**Current Liabilities**

Accounts Payable	\$ 154,389	
Current Portion of Long-Term Debt	59,279	
Note Payable to Bank	32,847	
Other Current Liabilities and Accrued Expenses	<u>254,950</u>	
Total Current Liabilities		\$ 501,465

Long-Term Debt, net of current portion	128,909
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Deferred Revenue	1,162,191
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Member's Equity	<u>374,712</u>
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Total Liabilities and Member's Equity	<u><u>\$ 2,167,277</u></u>
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See Independent Auditor's Report and Notes to Consolidated Financial Statements.

**Dentalfix Rx, LLC**  
**Consolidated Statement of Operations and Member's Equity (Deficiency)**  
**For the Year Ending December 31, 2014**

<b>Revenue</b>	\$ 6,402,825
<b>Costs and Expenses</b>	
Supplies and Other Direct Expenses	\$ 2,655,178
General and Administrative Expenses	3,199,003
Interest Expense	43,731
Depreciation and Amortization	<u>43,321</u>
<b>Total</b>	<u>5,941,233</u>
<b>Profit before Interest Income</b>	461,592
<b>Interest Income</b>	<u>26,641</u>
<b>Net Profit</b>	488,233
<b>Member's Equity (Deficiency)</b>	
Beginning of Year	<u>(113,521)</u>
End of Year	<u><u>\$ 374,712</u></u>

See Independent Auditor's Report and Notes to Consolidated Financial Statements.

**Dentalfix Rx, LLC**  
**Consolidated Statement of Cash Flows**  
**For the Year Ending December 31, 2014**

**Cash Flows from Operating Activities**

Net Profit	\$ 488,233
Adjustments to reconcile net profit to net cash realized by operating activities	
Depreciation and Amortization	43,321
Loss on Disposal of Equipment	2,895
(Increase) Decrease in:	
Accounts Receivable	(286,529)
Inventory	15,833
Other Current Assets and Prepaid Expenses	(294,787)
Refundable Deposits	774
Increase (Decrease) in:	
Accounts Payable	305
Deferred Revenue	779,651
Other Current Liabilities and Accrued Expenses	208,390
	<hr/>
Net Cash Realized by Operating Activities	\$ 958,086

**Cash Flows from Investing Activities**

Acquisition of Amortizable and Depreciable Assets	<hr/> (93,460)
Net Cash Utilized by Investing Activities	(93,460)

**Cash Flows from Financing Activities**

Increase in Advances to Members	(418,942)
Decrease in Notes Receivable	29,527
Decrease in Note Payable to Bank	(12,979)
Decrease in Non-Bank Notes Payable	<hr/> (134,626)
Net Cash Utilized by Financing Activities	<hr/> (537,020)
Net Increase in Cash and Equivalents	327,606

**Cash and Equivalents**

Beginning of Year	<hr/> 196,477
End of Year	<hr/> <hr/> \$ 524,083

**Supplemental Disclosure**

Interest Paid	\$ 44,745
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See Independent Auditor's Report and Notes to Consolidated Financial Statements.

**Dentalfix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

**Note 1 – Organization and Operations**

Dentalfix Rx, LLC “the Company” was organized as a limited liability company under the laws of the State of New Jersey on June 26, 2009. The Company was registered to do business in Florida on September 17, 2009. The offices are located in Davie, Florida. Under the New Jersey statutes, in general, members of an LLC are protected from liability for acts and debts of the LLC. The Company offers franchises for the operation of mobile service centers offering equipment maintenance service and repair, equipment sales and consumable products to medical practitioners. The Company’s primary market is dentistry. The latest Franchise Disclosure Document had an issuance date of July 15, 2014.

The acquisition of a franchise entitles the franchisee to all clinics in a defined territory as determined by the franchise agreement. The Company provides support services, marketing activities and management services for the franchisees.

Management has assessed subsequent events through March 10, 2015, the date which these financial statements were available to be issued.

**Note 2 - Summary of Significant Accounting Policies**

*Principles of Consolidation* – The accompanying financial statements include the accounts of the Company and a variable interest entity “VIE” for which the Company is considered the primary beneficiary (see note 12).

*Cash and Equivalents* - All cash and money market accounts are reported as cash and equivalents.

*Accounts Receivable* - Accounts receivable are carried at the original invoiced amount. There is an annual review and an allowance is made for significantly past due accounts or for accounts that management feels will not be collected. In most cases the reserve has been made for 100% of such accounts. There is no reserve set for accounts that are not past due or where management has determined that 100% of the balance due will be collected.

*Notes Receivable* – There is an annual review and an allowance is made for significantly past due notes that management feels will not be collected. The Company’s policy is to record a 100% reserve for amounts that are deemed uncollectible. Notes are not placed on nonaccrual status until such time that the notes are deemed uncollectible (see note 4).

*Inventory* – The inventory is comprised primarily of parts and supplies that are for resale to the franchisees. The inventory is valued at the lower of cost or market.

*Impairment of Long-lived Assets* – Fixed assets are reviewed for impairment in the fourth quarter and whenever events or circumstances indicate the carrying amount may not be recoverable. If the sum of the expected discounted cash flow is less than the carrying value of the related assets or group of assets, a loss is recognized for the difference between fair value and the carrying value of the related asset or group of assets. During the current year \$5,742 were considered impaired and disposed of.

**Dentalfix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

**Note 2 - Summary of Significant Accounting Policies (continued)**

The Company uses the straight-line method of depreciation over estimated useful lives as follows:

Fixtures and Equipment	5 – 7 years
Leasehold Improvements	7 years
Computer Software	3 years

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

*Revenue Recognition* – The Company's primary source of income is revenue from the sale of franchises and related services rendered to the franchisees. The Company does not charge royalty fees.

Revenue from the sale of franchises primarily comprises franchise, license and the training fees. In accordance with Statement of Financial Accounting Standards No. 45, "Accounting for Franchise Fee Revenue" all revenue earned from the sale of franchises is recorded when all material services or conditions relating to the sales have been substantially performed or satisfied by the franchisor or area developer. The Company considers the revenue earned when the franchise is launched at the completion of training.

Foreign franchisees are primarily operated through licenses sold to master franchisees. Each license agreement is reviewed to determine the method of revenue recognition. As of December 31, 2014 all of these license fees have been recognized when the material services or conditions relating to the sale of the licenses have been substantially performed or satisfied and the licensees have completed all the training required to sell sub-franchises.

*Corporate Support Fees, Etc* – The Company charges franchisees for corporate support fees that are utilized for Company's operating expenses relating to the franchisees. Other fees charged to the franchisees include, bookkeeping and reporting fees and software licensing fees. All these fees are recognized when invoiced.

*Advertising* - The Company expenses advertising costs as they are incurred. Advertising expenses for the year amounted to \$134,278. Additionally, the Company segregates marketing contributions made by the franchisees into a liability account to be utilized in specified territories. As of December 31, 2014 the balance of deferred marketing costs was \$20,059

*Income Taxes* - The Company is a limited liability company. Accordingly, under the internal revenue code, all taxable income or loss flows through to its members. Therefore, no income tax expense or liability is recorded in the accompanying financial statements. The Company's income tax returns have never been examined; the years ending December 31, 2011 through 2013 are still open and subject to examination.

*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 of assets and liabilities and disclosure of contingent

**Dentalfix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

**Note 2 - Summary of Significant Accounting Policies (continued)**

assets and liabilities at the date of the financial statements, and reported amount of revenue and expenses during the audit period. Actual results could differ from those estimates.

*Fair Value of Financial Instruments:* The Company has determined the estimated fair value amounts presented in these financial statements using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in these financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. The Company bases these fair value estimates on pertinent information available to them as of the end of each reporting period or at the time such amounts are recorded.

The carrying values of cash and equivalents, receivables, advances, accounts payable and bank debt approximate fair value because of the short-term maturities of these financial instruments.

*Fair value measurements:* Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value measurements are not adjusted for transaction costs. There is a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (level 3). The three levels are defined as follows:

- Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.
- Level 2 - inputs to the valuation methodology include quoted prices in markets that are not active or quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 - inputs to the valuation methodology are unobservable, reflecting the entity's own assumptions about assumptions market participants would use in pricing the asset or liability.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

**Note 3 - Accounts Receivable and Bad Debts**

Accounts receivables consist of amounts due from franchisees from the sale of parts and services rendered; and unpaid franchise fees due from new franchisees.

For the year, bad debt expense amounted to \$10,805. The total reserve at the end of the year was \$21,954.

**Dentalfix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

**Note 4 – Notes Receivable**

From time to time the Company and the VIE will extend terms covered by a note to their franchisees or their franchisees customers. These notes are generally without collateral. In addition the Company, through its consolidated affiliate, (see note 12), may provide collateralized financing primarily to new franchisees. One of the notes is not performing. The Company has not yet pursued its remedies under this note and has reserved 100% of the unpaid balances amounting to \$42,746. During the year a note in the amount of \$50,000 that was 100% reserved last year was written off against the reserve.

Interest rates on the notes vary. At the end of the year the balance due on all notes, net of the allowance referred to above, was \$106,061.

**Note 5 – Fixed Assets**

Fixed assets are summarized by major classifications as follows:

Fixtures and Equipment	\$ 120,950
Leasehold Improvements	<u>8,000</u>
Sub-total	128,950
Less: Accumulated Depreciation	<u>(72,464)</u>
Net Value	<u>\$ 56,486</u>

**Note 6 – Franchise Agreement and Unearned Revenue**

The total investment necessary to begin operating a franchise is from \$93,100 to \$176,000. During 2014 the Company sold 52 franchise d territories and as of December 31, 2014 had launched 30 of them. The Company had a total of 76 opened domestic franchise d territories at the end of 2014. In addition, the Company has a franchised territory in Toronto and master licenses covering the Province s of Ontario, Vancouver and Alberta, Canada. A franchise agreement for Mexico was signed in December 2014 but had not launched at year's end.

Revenue comprises the following:

Franchising, Training and Licensing	\$ 1,711,600
Corporate Support Revenue	1,259,533
Van Set-up	1,191,277
Parts, Supplies and Other	<u>2,240,415</u>
Total	<u>\$ 6,402,825</u>

\$1,162,191 deferred revenue was recorded on December 31, 2014 for 22 franchised territories and a master licensee that did not launch at the end of the year.

**Dentalfix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

**Note 7 – Accrued Expenses**

Other Current Liabilities and Accrued Expenses Consist of the following:

Payroll	\$ 44,400
Payroll Taxes	6,458
Commissions	146,250
Deferred Marketing Costs	20,059
Van Set-up Costs	37,500
Other	<u>283</u>
Total	<u>\$ 254,950</u>

**Note 8 – Notes Payable and Long-Term Debt**

The Company has a two year line of credit bank note with a maximum amount of \$75,000 that was originated on March 7, 2014. The note bears interest at prime plus 2% per annum and is collateralized by all of the Company's business assets. As of December 31, 2014 the outstanding unpaid balance was \$32,847.

Long-term debt consists of the following:

Note Payable of \$195,000 to a Finance Company – Payable in forty-eight monthly payments that commenced November 1, 2013 of \$4,946 each, including interest at 10% per annum. As of December 31, 2014 the outstanding unpaid balance was \$145,906

Note Payable of \$35,000 to a Related Party – Payable in one hundred and twenty monthly payments that commenced October 25, 2013 of \$463 each, including interest at 10% per annum. As of December 31, 2014 the outstanding unpaid balance was \$32,282

Note Payable of \$10,000 to a Related Party – Payable in one payment of \$10,000 on March 2, 20015. Interest on the note is 10% per annum payable quarterly. As of December 31, 2014 the outstanding unpaid balance was \$10,000

Total of Long-term Debt	\$ 188,188
Less: Current Portion	<u>( 59,279 )</u>
Net Long-term	<u>\$ 128,909</u>

**Note 9 – Member's Equity**

An amended operating agreement was signed on July 1, 2011. Among other things, the members agreed to make additional cash contributions on an as needed basis. The members do not receive any interest on their capital contributions.



**Dentalfix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

**Note 10 – Pension Plan**

The Company has a 401K Profit Sharing Plan that was affected January 1, 2013. The plan, among other things, covers all employees who work greater than 30 hours per week, are at least 21 years of age and have performed at least six months service.

The Company may make matching contributions equal to a discretionary percentage determined by the Company. For the year 2014 the Company has chosen not to make any contribution.

**Note 11 - Related Party Transactions**

The member/managers have sole discretion regarding their own compensation. For the current year, excluding any Company perks, compensation paid to or on behalf of the member/managers amounted to \$292,084. Perks amounted to \$86,636.

Some of the members of the Company had ownership in one of the franchises. The ownership was terminated during the year.

The Company borrowed \$45,000 from one of the members and has signed two notes. One of the notes is being paid over a 120 payments in the amount of \$463 each including interest at 10% per annum. The other note, also for 10% is due March 2, 2015.

The Company has consolidated a company under common control that has been deemed to be a variable interest entity (VIE) under Statement of Financial Accounting Standards No. 167. The interpretation requires the consolidation of an entity in which an enterprise absorbs a majority of the entity's expected losses, receives a majority of the entity's expected residual returns, or both, as a result of ownership, contractual or other financial interests in the entity.

The Company shares offices with three commonly owned companies. Rent and some expenses are prorated between the Companies.

During the year the Company advanced \$418,942 to one of the members. The Company intends to make a profit distribution in 2015. These advances will be paid back by the distributions.

If the Company had an independent board of directors the results of operations, cash flows and financial position of the Company could be significantly different.

**Note 12 – Variable Interest Entity**

The Company has consolidated a company under common control that has been deemed to be a variable interest entity (VIE) under Statement of Financial Accounting Standards No. 167. The interpretation requires the consolidation of an entity in which an enterprise absorbs a majority of the entity's expected losses, receives a majority of the entity's expected residual returns, or both, as a result of ownership, contractual or other financial interests in the entity.

The VIE was formed as a limited liability company on May 12, 2010 by some of the Members of Dentalfix Rx, LLC. It was formed for the purpose of financing fees of franchises sold by the Company. If the financed fees are not paid and the collateral (see note 4) is insufficient to satisfy the balances the VIE will have recourse against the Company. All assets and liabilities of the VIE have been included in the financial statements and comprise the following:

**Dentalfix RX, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

**Note 12 – Variable Interest Entity (Continued)**

Assets	<u>\$ 106,383</u>
Liabilities	<u>\$ 188,188</u>
Member's Deficiency	<u>\$ (81,805)</u>

**Note 13 - Concentrations of Risk**

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The balances are insured by the FDIC up to \$250,000. At December 31, 2014, the Company had a balance in their operating account that was in excess of insured limits

**Note 14 – Commitments and Contingencies**

The Company leases its offices in Davie, FL. Net rent expense for 2014 was \$97,837

On May 1, 2010 the Company entered into a five year lease expiring June 30, 2015. Future minimum operating lease payments under this lease is \$56,197 in 2015. Some of the office space is sub-leased (see related party transactions).

**EXHIBIT G**  
**SAMPLE COPY OF GENERAL RELEASE**

**DENTAL FIX RX, LLC**  
**GENERAL RELEASE AGREEMENT**

THIS AGREEMENT ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between DENTAL FIX RX, LLC, a New Jersey limited liability company having its principal place of business located at 4380 Oakes Road, Suite 800, Davie, FL 33314 (the "Franchisor"), and \_\_\_\_\_ residing at \_\_\_\_\_ (hereinafter referred to as "Releasor"), wherein the parties, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments here are set forth, do agree as follows:

1. Release by Releasor:

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled limited liability company, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent limited liability company, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made here by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

2. Releasor represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Florida law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Florida.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

Witness:

RELEASOR:

\_\_\_\_\_

\_\_\_\_\_

Witness:

DENTAL FIX RX, LLC

\_\_\_\_\_

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

**EXHIBIT H**  
**PROMISSORY NOTE**

## PROMISSORY NOTE

\$ \_\_\_\_\_  
Amount

\_\_\_\_\_  
Date

**FOR VALUE RECEIVED**, the undersigned, \_\_\_\_\_, jointly and severally if more than one (collectively, the “Maker”), unconditionally promises to pay to the order of **JDS FRANCHISE FINANCING, LLC** (“Lender”), a New Jersey limited liability company with its principal office located at 568 Amboy Avenue, Woodbridge, New Jersey 07095, or at such other place as may be designated in writing by Lender, the principal sum of \_\_\_\_\_ **AND 00/100 DOLLARS (\$\_\_\_\_,000.00)**, plus interest from the date hereof at an annual rate of \_\_\_\_\_ percent (\_\_\_\_%), payable as follows:

1. The payment on this Promissory Note (“Note”) shall be made by check or wire transfer (as specified by Lender) payable to Lender at the address set forth above or at such other address as Lender shall designate to the Maker in writing. Payment shall be made in U.S. Dollars.

2. Beginning on \_\_\_\_\_, 20\_\_\_\_, and on the first day of each calendar month thereafter, through and including \_\_\_\_\_, 20\_\_\_\_ (the “Maturity Date”), Maker shall make monthly payments of principal and interest on the outstanding principal balance hereof at the interest rate set forth above, as set forth in the attached payment schedule. The outstanding principal amount hereof, together with all accrued but unpaid interest, shall be due and payable in full on the Maturity Date. All payments made hereunder will first be applied to accrued and unpaid interest and then to the unpaid principal balance. All payments due hereunder shall be made by Maker on the dates set forth above without a payment and/or interest statement. Lender’s failure to provide Maker with a payment and/or interest statement shall in no way affect or limit Maker’s obligations to pay such amounts in accordance with the terms and conditions set forth herein.

3. The Maker may prepay part or the entire principal amount plus interest then accrued thereon at any time without notice or penalty.

4. The occurrence of any one of the following events shall constitute an event of default hereunder (“Event of Default”): (a) if the Maker fails to make any payments of principal or interest on this Note when due and payable as provided in Section 1 of this Note; (b) if the Maker materially breaches the Franchise Agreement between the Maker and Lender’s affiliate, Dental Fix Rx, LLC (the “Franchise Agreement”); (c) the Franchise Agreement is terminated for any reason; or (d) the filing by or against the Maker, or any guarantor of this Note, a petition under the United States bankruptcy code or under any other insolvency law or law providing for the relief of debtors, including, without limitation, a petition for reorganization, agreement or extension; or (e) the making of an assignment of a substantial portion of the Maker’s assets for the benefit of creditors, appointment of a receiver or trustee for the Maker or for any of the Maker’s assets, institution by or against the Maker of any other type of insolvency proceeding or other proceeding contemplating settlement claims against or winding up of the affairs of the Maker or a transfer of a material portion of the Maker’s assets or inventory not in the ordinary course of business.

5. Upon the occurrence of an Event of Default, (a) Lender may, at its option and by written notice to the Maker, declare the entire unpaid principal balance of this Note, together with all accrued but unpaid interest, immediately due and payable, regardless of any prior forbearance; (b) interest shall accrue at a rate equal to the lesser of eighteen percent (18%) per annum or the highest maximum rate permitted under applicable law (the "Default Rate"), and (c) exercise any and all rights and remedies available to Lender under applicable law. The rights and remedies of Lender under this Note shall be cumulative. Failure of Lender for any period of time or on more than one occasion, to exercise its option to accelerate the Maturity Date shall not constitute a waiver of the right to exercise the same at any time during the continued existence of an Event of Default or any subsequent Event of Default.

6. All costs incurred by Lender in enforcing this Note, in collection of sums due Lender from Maker under this Note, and in connection with the Lender's exercise of any or all of its rights and remedies under this Note, shall be paid by Maker, including, without limitation, reasonable attorneys' fees and costs through all trials, appeals and proceedings.

7. No waiver that Lender may give will be applicable except in the specific instance in which it is given. The Maker hereby waives presentment for payment, demand, notice of dishonor, protest of any dishonor, notice of protest, protest of this Note and any and all other notices or demands in connection with this Note. All amounts payable hereunder shall be made without deduction by way of set-off, counterclaim or otherwise.

8. This Note may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9. Every provision of this Note is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or unenforceability shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

10. This Note shall be governed by the laws of the State of Florida. Venue for any litigation arising hereunder shall be in Broward County, Florida.

11. The Maker and the Lender each waive any right to trial by jury in any action or proceeding relating to the negotiation, execution or delivery of this Note or any related document, the payment and performance of any indebtedness, liability or obligation or the enforcement of any right or remedy described herein, or any claim, defense, setoff or counterclaim arising or asserted in connection with this Note.

12. The principal owner(s) of the Maker (if an entity), \_\_\_\_\_, jointly and severally if more than one (collectively, the "Guarantor"), hereby unconditionally and irrevocably guarantees to the Lender, its successors and assigns, the payment and performance of all obligations of the Maker to the Lender under this Note, and any amendments or modifications thereof ("Guaranty"). Guarantor agrees that: (a) this is a guaranty of payment and not of collection, and that the Lender can proceed directly against Guarantor personally without seeking to collect from the Maker; and (b) Guarantor



hereby waives presentment for payment, demand, notice of dishonor, protest of any dishonor, notice of protest, protest of this Note and any and all other notices or demands in connection with this Note. This Guaranty survives the bankruptcy of the Maker and binds Guarantor's administrators, successors and assigns. All obligations under this Guaranty continue even if the Maker becomes insolvent or bankrupt or is discharged from bankruptcy and Guarantor agrees not to seek to be repaid by the Maker in that event. Guarantor's obligation is to pay all amounts owed by the Maker to the Lender under this Note.

**IN WITNESS WHEREOF**, the undersigned has executed this Note as of the date set forth above.

**THE MAKER:** \_\_\_\_\_ **GUARANTOR(S):**

By: \_\_\_\_\_ By: \_\_\_\_\_

As: \_\_\_\_\_ By: \_\_\_\_\_

By: \_\_\_\_\_

**EXHIBIT I**  
**FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT**

As you know, Dental Fix Rx, LLC (the “**Franchisor**”) and you are preparing to enter into a franchise agreement (the “**Franchise Agreement**”) for the establishment and operation of a Dental Fix Business. The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor (“**Broker**”) that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Dental Fix Business from an existing Franchisee, you may have received information from the transferring Franchisee, who are not employees or representatives of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Dental Fix Business from an existing Franchisee?

Yes \_\_\_\_\_ No \_\_\_\_\_

2. I had my first face-to-face meeting with a Franchisor representative on \_\_\_\_\_, 20\_\_\_\_.

3. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes \_\_\_\_\_ No \_\_\_\_\_

4. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes \_\_\_\_\_ No \_\_\_\_\_

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

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5. Have you received and personally reviewed the Franchisor’s Disclosure Document that was provided to you?

Yes \_\_\_\_\_ No \_\_\_\_\_

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes \_\_\_\_\_ No \_\_\_\_\_

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

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8. Have you discussed the benefits and risks of establishing and operating a Dental Fix Business with an attorney, accountant, or other professional advisor?

Yes \_\_\_\_\_ No \_\_\_\_\_

If No, do you wish to have more time to do so?

Yes \_\_\_\_\_ No \_\_\_\_\_

9. Do you understand that the success or failure of your Dental Fix Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes \_\_\_\_\_ No \_\_\_\_\_

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Dental Fix Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Dental Fix Business will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Dental Fix Business that is contrary to or different from the information contained in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Dental Fix Business?

Yes \_\_\_\_\_ No \_\_\_\_\_

15. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or Franchise Agreement?

Yes \_\_\_\_\_ No \_\_\_\_\_

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes \_\_\_\_\_ No \_\_\_\_\_

17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes \_\_\_\_\_ No \_\_\_\_\_

18. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? \_\_\_\_\_

\_\_\_\_\_

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

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I signed the Franchise Agreement and Addendum (if any) on \_\_\_\_\_, 20\_\_\_\_, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge the following:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You acknowledge receipt of the Franchisor's Disclosure Document. You acknowledge that you have had the opportunity to personally and carefully review these documents. Furthermore, you have been advised to seek professional assistance, to have professionals review the documents and to consult with other franchisees regarding the risks associated with the purchase of the franchise.

C. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".

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D. You acknowledge that no statement, promise or assurance has been made to you by a Broker concerning the advertising, marketing, training, support services or assistance that we will furnish you that is contrary to, or different from, the information contained in the Disclosure Document. If you believe that such a statement, promise or assurance has been made, please describe such statement or promise in the space provided below or write "None".

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E. You acknowledge that no other statement, promise or assurance has been made to you by a Broker concerning any other matter related to a Dental Fix Business that is contrary to, or different from, the information contained in the Disclosure Document. If you believe that such a statement, promise or assurance has been made, please describe such statement, promise or assurance in the space provided below or write "None".

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F. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires

certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

- (i) a person or entity listed in the Annex to the Executive Order;
- (ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
- (iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or
- (iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Sign here if you are taking the franchise as an:

Sign here if you are taking the franchise  
as a:

**INDIVIDUAL**

**CORPORATION, LIMITED  
LIABILITY COMPANY, OR  
PARTNERSHIP**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name of Legal Entity

Print Name\_\_\_\_\_

By:\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Print Name\_\_\_\_\_

Print Name\_\_\_\_\_

Title\_\_\_\_\_

\_\_\_\_\_  
Signature

Print Name\_\_\_\_\_

\_\_\_\_\_  
Signature

Print Name\_\_\_\_\_

**RECEIPT**  
**(RETURN ONE COPY TO US)**

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 DENTAL FIX RX, 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 DENTAL FIX RX, LLC DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL LAW AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE STATE AGENCY LISTED ON EXHIBIT A.

Issuance date: April 7, 2017. Refer to page iii of this disclosure document for state effective dates.

The franchise sellers for this offering are David Lopez, Brian Dershow, Darrine Miller, Dan Chiljean, Scott V. Mortier, and Eric Masson, Dental Fix Rx, LLC, at 4380 Oakes Road, Suite 800, Davie, FL 33314, (800) 586-0340

Dental Fix Rx, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I received a disclosure document dated April 7, 2017 that included the following Exhibits:

- |   |   |
|---|---|
| A. State Administrators/Agents for Service of Process | F. Audited Financial Statements                   |
| B. State Specific Addendum                            | G. Sample Copy of General Release                 |
| C. Franchise Agreement                                | H. Promissory Note                                |
| D. Table of Contents of Confidential Operating Manual | I. Franchisee Disclosure Acknowledgment Statement |
| E-1. List of Franchisees                              |   |
| E-2. List of Franchisees Who Have Left the System     |   |

Date: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
(signature)

You may return the signed receipt either by signing, dating, and mailing it to Dental Fix Rx, LLC at 4380 Oakes Road Suite 800, Davie FL 33314 or faxing a copy of the signed and dated receipt to Dental Fix Rx, LLC at 1-800-586-0341.

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**(RETURN ONE COPY TO US)**

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Date: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
(signature)

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