

FRANCHISE DISCLOSURE DOCUMENT



SMILE SOURCE L.P.
a Texas Limited Partnership
23824 Highway 59 North
Kingwood, Texas 77339
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Email: contactus@smilesource.com
URL: www.smilesource.com

Smile Source franchisees operate a dental office, in a specific territory, for routine dental treatments, conducting examinations to diagnose extensive implant, cosmetic and orthodontic elective health problems, using corrective tooth loss and esthetic measures such as dental prosthetic implant replacements or orthodontic and cosmetic corrections, and provide all other areas of dental care which dentists may be permitted by law to perform, including the retail sale of dental supplies.

There is no initial franchise fee. The total investment necessary to begin operation of a Smile Source franchise is \$60,500 to \$435,000 if you open a new office and \$27,800 to \$86,200 if you convert an existing office. None of this amount is paid to the franchisor or any 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.**

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

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

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

Issuance Date: April 6, 2016

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, 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION OR ARBITRATION IN HOUSTON, TEXAS. OUT OF STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE OR TO ARBITRATE WITH US IN TEXAS THAN IN YOUR HOME STATE.
2. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

See the following 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 and disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	
Washington	
Wisconsin	

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of April 6, 2016.

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FRANCHISE DISCLOSURE DOCUMENT

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RECEIPT *(Your copy)*

RECEIPT *(Our copy)*

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

This Franchise Disclosure Document describes Smile Source franchises. In this disclosure document, the terms specified below have the following meanings:

- (a) “We,” “Us,” “Our” and “Smile Source” means Smile Source L.P., the franchisor.
- (b) “You” means the person or entity who acquires the franchise. Unless stated otherwise, if you are a corporation, partnership or other entity, the term “you” does not include the individual owners of the corporation, partnership or other entity.
- (c) “Dental Care Center” means a franchised SMILE SOURCE[®] dental care center established and operated under the Franchise Agreement.
- (d) “Network” means, collectively, the network of independently owned and operated dental care centers who members of the SMILE SOURCE[®] Network and those who are members of the Associate Member Network.
- (e) “SMILE SOURCE[®] Network” means the network of Dental Care Centers.
- (f) “Associate Member Network” means the network of dental care centers established and operated under an Associate Membership agreement.

Smile Source

We are a Texas limited partnership formed on September 29, 2006. Our principal place of business is at 23824 Highway 59 North, Kingwood, Texas 77339. We have been operating under the “Smile Source” name since our inception. We do not do business under any names other than “Smile Source.”

The General Partner of Smile Source L.P. is Smile Source Management L.L.C. (“Smile Source Management”), a Texas limited liability company whose business address is the same as ours.

Smile Source and Smile Source Management are owned by SSH Corporation (“SSH”) which is controlled by Brazos Equity Fund III, L.P. (“Brazos”), a Delaware limited partnership. Brazos maintains its principal place of business at 100 Crescent Court, Suite 1777, Dallas, Texas 75201. Brazos has the ability to select all seven members of our Board of Directors. However, by written agreement, two of the seven Directors must be selected from the current Smile Source management. The present members of the Board of Directors are as disclosed in Item 2 of this disclosure document.

We have franchised Dental Care Centers since December 2006. We have never owned or operated a Dental Care Center.

Smile Source’s Agent for Service of Process

Smile Source’s agent, if any, for service of process in your state is disclosed on the attached Exhibit B to this disclosure document.

The Smile Source Franchise

We have a distinctive system for (i) facilitating the exchange of information on best practices among independent dentists and dental industry experts regarding the management, operation, and promotion of a Dental Care Center; (ii) arranging for pricing concessions and/or discounts from vendors supplying dental products and services based on the nationwide buying power of our Network; and (iii) advertising, promotional and marketing programs, including the promotion and sale of dental care services and products. We refer to our distinctive methods, proprietary know-how and trade secrets related to the Dental Care Centers collectively as the “System”).

If you qualify, we may offer you the opportunity to establish and operate a Dental Care Center and to utilize

the System and certain trademarks, service marks, logos and commercial symbols (“Names and Marks”) owned by Smile Source, as further described in Item 13, under the terms of our standard Franchise Agreement (“Franchise Agreement”). Our current form of Franchise Agreement is in Exhibit E-1 to this disclosure document.

As our franchisee, you must operate your Dental Care Center in a manner that will inform the public that your Dental Care Center is a member of the SMILE SOURCE® Network or, if you are not permitted by applicable State laws and regulations to operate under the SMILE SOURCE® name, as a “Member of the SMILE SOURCE® Network.” As our franchisee, you would have the right to select from the benefits and programs available to the Dental Care Centers in the SMILE SOURCE® Network.

Associate Memberships

Beginning in 2015, we have implemented an associate membership program (“Associate Membership”) whereby an independently owned and operated dental office can be established and operated under an Associate Membership agreement as an associate member (“Associate Member”) of the Network and can utilize the System but with some important limitations. The Associate Membership agreement includes a provision that prohibits the Associate Member from use of the Names and Marks in any manner, including but not limited to any inclusion of or reference to the Associate Member’s office on any website or marketing materials that include any of the Names and Marks. In addition, in all dealings with third parties (including, without limitation, employees, suppliers, patients, customers, and government authorities), the Associate Member will identify the Associate Member’s office only with the Associate Member’s own business name. Although we refer to the Associate Membership program at various places in this disclosure document, this disclosure document is intended only for those who would become Smile Source franchisees.

Affiliates of Smile Source

We have affiliates that offer franchises or provide products or services to Smile Source franchisees.

Smile Source Marketing, Inc. (“Smile Source Marketing”), conducts the marketing activities for our franchisees in certain geographic areas, as described in this disclosure document (please see Item 11 for details).

Until September 2015, VSH Corporation (“VSH”) was our affiliate and was also controlled by Brazos. A wholly owned subsidiary of VSH is Vision Source L.P. (“Vision Source”), a Texas limited partnership, that offers optical eye care center franchises under the “Vision Source” name and mark. Vision Source has offered franchises since August 1996 and had 3,023 franchises as of December 31, 2014. All of the shares of stock in VSH was sold to an unrelated third party in September 2015. The management of Vision Source continues to provide various management and business services under a Transition Services Agreement (“TSA”) that provides for a 3 year term commencing August 31, 2015.

All of the affiliates named above have the same address as we do. Except as specified above, neither we nor our affiliates have offered franchises in any other line of business.

Market and Competition

The market for dental care, both need driven and elective services, is highly competitive and continually evolving in reaction to the changes in health care delivery systems and related state and federal regulations. Your competitors will include other franchised Smile Source offices, Associate Member offices, independent dental care professionals, national and regional dental chains, national retail and wholesale chains that provide dental products and services, and sometimes mail order suppliers of similar products. You will likely face increased competition from health maintenance organizations.

Industry-Specific Laws or Regulations

The practice of dentistry is highly regulated in all states. If you are an individual, you must be a licensed dentist and the Dental Care Center must be under your direct supervision. If you are a corporate entity or a partnership, you must be wholly owned by one or more licensed dentist(s) and you must designate one individual licensed dentist to retain overall managerial control of the Dental Care Center.

You must comply with all Federal, State and local laws governing the operation of a Dental Care Center, and obtain all permits and licenses necessary to operate the Dental Care Center. Consult with independent legal counsel to determine the laws, rules and regulations to which you will be subjected to if you enter into this franchise.

ITEM 2 BUSINESS EXPERIENCE

SMILE SOURCE EMPLOYEES

President and Board Member: Trevor Maurer

Trevor Maurer joined us as Vice President of Business Development in November 2012 and in January 2014 he was elected President and in September 2015 he was elected as a Board Member of SSH. From May 2011 to October 2011 he was Vision Source Regional Director - Southeast Region. From February 2011 to May 2011 he was Director of Sales for Bausch and Lomb in Duluth, Georgia. From February 2010 to February 2011 he was Vision Source Regional Manager for the Southeast Region in Suwanee, Georgia. From 2006 to February 2010 he was CEO of Maurer & Associates in Suwanee, Georgia.

Vice President – Membership: M. Todd Nickerson

M. Todd Nickerson has been our Vice President – Membership since December 2014 and before he had served as our National Director of Business Development since January 2010. From January 2003 until December 2009 he was the National Manager of Professional Development for OrthoSynetics in Southlake, Texas.

CONTRACTORS UNDER TSA

General Counsel: Curtis J. Domingue, Jr.

Curtis J. Domingue, Jr. serves as General Counsel of Smile Source under the TSA described in Item 1. He was previously employed as General Counsel of Smile Source from September 2006 until September 2015, Chief Financial Officer from September 2006 until August 2011 and Senior Vice President from February 2013 until September 2015. He also served as a member of our Board of Directors from September 2006 until April 2011. Mr. Domingue served as Secretary of SSH from October 2011 until September 2015 and as Treasurer of SSH from October 2011 until August 2012. Mr. Domingue has also been General Counsel of Vision Source since November 2004 and Senior Vice President since February 2013. He served on the Vision Source Board of Directors from June 2010 until April 2011. Mr. Domingue has also served as Secretary of VSH since April 2011 and was Treasurer of VSH from April 2011 until August 2012.

Chief Marketing Officer: Bryan D. Pinciario

Bryan D. Pinciario serves as Chief Marketing Officer of Smile Source under the TSA described in Item 1. He was previously employed by Smile Source as Chief Marketing Officer from September 2011 until September 2015. Mr. Pinciario has served as Chief Marketing Officer of Vision Source since September 2011. From May 2010 until July 2011 he was the Vice President of Global Marketing and Executive Committee Member for BIOMET3i in Palm Beach Gardens, Florida. From March 1998 until May 2010 he served in a variety of marketing roles, such as Global Franchise Director, Global Marketing, Global Franchise Manager, U.S. Group Product Director and U.S. Product Director, for Johnson & Johnson Vision Care in Jacksonville, Florida.

Chief Information Officer: Satish K. Dave

Satish Dave serves as Chief Information Officer of Smile Source under the TSA described in Item 1. He was previously employed by Smile Source as Senior Vice President and Chief Information Officer from December 2014 until September 2015. Mr. Dave has served as Senior Vice President and Chief Information Officer of Vision Source since December 2014. From August 2010 until January 2014 he was Chief Information Officer of MedSolutions (a healthcare company) in Franklin, Tennessee and led technology, process excellence and claims operation. Mr. Dave was Executive Director of Appleton Papers in Appleton, Wisconsin from June 2007 to August 2010.

Corporate Controller: Sherry L. Wilson

Sherry L. Wilson serves as Corporate Controller of Smile Source under the TSA described in Item. She was previously employed by Smile Source as Corporate Controller from January 2015 until September 2015. Ms. Wilson has served as Corporate Controller of Vision Source from January 2015 and as Vice President and Corporate Controller of Vision Source since January 2016. Prior to joining us, Ms. Wilson was Corporate Controller of John Moore Services, Inc. in Houston, Texas from May 2013 through December 2014. From January 2006 until March 2013, Ms. Wilson worked for Key Energy Services, Inc. in Houston, Texas in various roles and was their Director of Accounting from January 2010 through March 2013.

BOARD OF DIRECTORS**Board Member: Glenn D. Ellisor, O.D.**

Glenn D. Ellisor, O.D., our founder, has been a member of our Board of Directors since our inception and Chairman since February 2013. He previously served as our Chief Executive Officer until August 2013 and as our President from our inception to July 2011 and from February 2013 to December 2013. He also served as President of SSH from October 2011 until February 2013. Dr. Ellisor is also the founder of Vision Source and has served as its President from its inception until February 2013. He also served as Chief Executive Officer of Vision Source from January 2005 until August 2013, as a member of the Vision Source Board of Directors since May 1991 and as a Director of VSH since April 2011 and Executive Chairman from August 2013 until September 2015 when he was elected Clinical Director. Since June 1991, Dr. Ellisor, a licensed optometrist, has owned and operated a VISION SOURCE® Office in Kingwood, Texas.

Board Member: James M. Greenwood

James M. Greenwood joined us in January 2013 as President and Director of SSH and Senior Vice President and Chief Operating Officer of Smile Source until August 2013 when he was elected President and Chief Executive Officer of SSH and Smile Source and, beginning January 2014, he has continued as Chief Executive Officer of Smile Source until September 2015. Mr. Greenwood also served as President and Director of VSH and President and Chief Operating Officer of Vision Source from January 2013 until August 2013. Mr. Greenwood was elected President and Chief Executive Officer of VSH and Vision Source in August 2013 and continues as a Director of VSH. Since January 2013, Mr. Greenwood has been a member of the Board of Directors of Healthcare Solutions, Inc. in Duluth, Georgia and, since May 2011, he has been a member of the Board of Managers of Epic/Freedom, LLC in Dallas, Texas. Before joining us, Mr. Greenwood was Chief Executive Officer for Concentra, Inc., a health care company in Addison, Texas, from June 2007 until January 2013.

Board Member: Jeff S. Fronterhouse

Jeff S. Fronterhouse has served as a member of the SSH Board of Directors since October 2011. He has also served as a Vice President of SSH since October 2011. He was a member of the VSH Board of Directors and Vice President of VSH from April 2011 until September 2015. Since 1999, Mr. Fronterhouse has also served as the co-Chief Executive Officer and partner of Brazos Private Equity Partners, L.L.C. in Dallas, Texas. Since January 2015, Mr. Fronterhouse has served as managing partner of Riata Capital Group in Dallas, Texas.

Board Member: Glenn W. Askew

Glenn W. Askew has served as a member of the SSH Board of Directors since October 2011 and as a member of the VSH Board of Directors from April 2011 until September 2015. He has also served as a Vice President of SSH since October 2011 and as Vice President of VSH from April 2011 until September 2015. He has served as a Managing Director for Brazos Private Equity Partners, L.L.C. in Dallas, Texas since May 2008. Since January 2015, Mr. Askew has been a partner of Riata Capital Group in Dallas, Texas.

Board Member: David Willis

David Willis has served as a member of the SSH Board of Directors and as Secretary of SSH since October 2015. Since October 2014, he has served as a Partner of Riata Capital Group based in Dallas, Texas. Since March 2014, he has served as an operational advisor and consultant to Brazos Private Equity Partners, L.L.C., also based in Dallas, Texas. From 2008 through 2013, Mr. Willis served as a Senior Vice President and the Chief Financial Officer of Global Power Equipment Group in Irving, Texas.

**ITEM 3
LITIGATION**

During the fiscal year 2015, Smile Source initiated one lawsuit against a franchisee. This lawsuit was for collection matters.

Smile Source L.P. vs. Silber Lecture LLC, d/b/a David Silber, DMD., et al., No 2015-33519 (113th Dist. Ct., Harris County, Texas, filed June 11, 2015)

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

**ITEM 4
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5
INITIAL FEES**

We charge no initial fees to new franchisees. You are not required to pay any initial fees or any other initial payments to Smile Source. We reserve the right to charge initial fees in the future to new franchisees.

**ITEM 6
OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty	Up to 2.00% of Gross Receipts, but currently 1.35% for new franchisees	45 days after end of calendar month	See Footnote No. 1 and 2
Fees for Meals of Additional Attendees at Annual Meeting	Charge to cover meals for any employees or family members you bring to the annual meeting	At least two weeks before meeting	We pay for your meals at the annual meeting, if you choose to attend
Review of Financial Records	Cost of review	Upon billing	Payable only if review shows an understatement of Gross Receipts by the lesser of \$30,000 or 5% of the actual total Gross Receipts or if you did not timely provide us with your financial records

Type of Fee	Amount	Due Date	Remarks
Insurance	Cost of Premiums	Upon billing	Payable to us only if you fail to provide the insurance coverages specified in the Franchise Agreement
Fees on Late Payments	\$25.00 for a payment that is received more than 5 days after the date payment was due	Upon billing	Our acceptance of late fees does not constitute waiver of the right to timely payment
Interest on Late Payments	1% per month or the highest rate allowed by applicable law, whichever is less	Upon billing	Interest is charged on accounts that are more than 90 days delinquent and interest is charged retroactive to the date payment was due. Our acceptance of interest does not constitute waiver of the right to timely payment
Fees on Dishonored Payments	\$35.00 for a payment that is returned or not honored by your bank	Upon billing	Our acceptance of fee does not constitute waiver of the right to timely payment
Liquidated Damages	See Footnote 3	Within 30 days after date of termination	Subject to state law (see Exhibit J), payable if we terminate based on your default or your wrongful repudiation of the Franchise Agreement
Indemnification	Actual losses or expenses incurred by Smile Source	On demand	You must reimburse us and our officers, directors, shareholders, employees, agents, heirs, successors, assigns, and representatives for all costs we incur as a result of any claims arising directly or indirectly from the operation of your Dental Care Center, alleged professional errors or omissions, allegedly defective products, etc.

Footnote No. 1. The term “Gross Receipts” means all amounts received by your Dental Care Center, computed according to generally accepted accounting principles, minus “Allowable Sales Deductions” consisting of sales taxes and other similar taxes collected from patients or customers on the basis of sales transactions, the balance due on patients’ or customers’ unclaimed orders, reimbursements and price adjustments to insurance carriers and governmental agencies, cash refunds to patients or customers, money lost on returned checks.

Under the standard Franchise Agreement, we can charge a Royalty of 2% of Gross Receipts. However, if you sign the Franchise Agreement before we announce an increase to 2%, you will sign an addendum reducing the Royalty to the rate in effect at the time you sign the franchise agreement which, on the effective date of this disclosure document is 1.40% of Gross Receipts. The form of the addendum is in Exhibit E-2A or E-2B to this disclosure document, depending on whether you qualify for an ACE-Type Program. Once we announce an increase to 2%, the addendum will not be offered to future franchisees. We will provide at least 30 days’ advance notice of the increase and we anticipate announcing the increase within a year after the original issuance date of this disclosure document.

During 2014, we entered into an agreement with the Academy of Comprehensive Esthetics, LLC (“ACE”)

whereby ACE will wind down their business operations and will recommend that all of the current ACE members ("ACE Members") become Smile Source franchisees. Under our agreement with ACE, any ACE Member who signs a Franchise Agreement before April 30, 2015 will pay a fixed monthly Royalty of \$99.00 through April 30, 2015. Thereafter, the ACE Member will pay a Royalty at the percentage rate in effect on May 1, 2015. Furthermore, as discussed in Item 8, ACE Members will not share any supplier and vendor revenue we receive that is based on purchases before May 1, 2015 by ACE Members under the Cooperative Buying Program. Although the program with ACE Members has been closed, we may enter into similar agreements with other dental groups in the future ("ACE-Type Program"). If you qualify for an ACE-Type Program, to implement these terms, you will sign an addendum to the Franchise Agreement in the form of Exhibit E-2B to this disclosure document.

We allow for a reduced Royalty percentage for franchisees that qualify for certain special programs:

1. New Graduate & Military Program. This program is for dentists who open their first dental care center in connection with becoming a franchisee of Smile Source within 1 year of becoming licensed to practice dentistry or leaving military service. During the initial term of the Franchise Agreement, the Royalty fee is waived for the first 12 months and is reduced by 0.50% for the second 12 months. For the remainder of the initial term, you pay the Royalty fee rate that was in effect when you signed the Franchise Agreement, as described above for the standard program.
2. Cold Start Program – This program is for dentist who open their first dental care center in connection with becoming a franchisee of Smile Source but who do not qualify for the New Graduate & Military Program. During the initial term, the Royalty fee is reduced by 0.50% for the first 12 months and is reduced by 0.25% for the second 12 months. For the remainder of the initial term, you pay the Royalty fee rate that was in effect when you signed the Franchise Agreement, as described above for the standard program.
3. Dental Lab Program – This program is for franchisees who own a bona fide dental laboratory that is in regular operation. A "dental laboratory" is defined as a laboratory that is owned by the franchisee, is located within the franchisee's business premises, and has at least a functioning casting machine (to cast metal), ultrasonic cleaner, porcelain oven, dental furnace, empress/emax pressing unit, grinder, vibrator, lab drill, suck-down machine and a pressure pot. The "bona fide, regular operation" of a dental laboratory means a dental laboratory that is operated on a regular and consistent basis by the Franchisee and is an integral part of the Franchisee's overall business operations. The Royalty fee for a new qualified franchisee will be reduced by 0.40% fee for as long as they meet the qualifications of the Dental Lab Program. If you cease to be qualified for the Dental Lab Program, you pay the Royalty fee rate that was in effect when you signed the Franchise Agreement, as described above for the standard program, beginning on the first day of the month following the month in which you cease to qualify for the Dental Lab Program. The Royalty fee for an existing franchisee who installs a qualified dental laboratory will be the lesser of (a) the Royalty fee stated in the existing franchisee's Franchise Agreement, or (b) the applicable reduction, as stated in this paragraph, from the Royalty fee as described above for the standard program.
4. Multiple Office Program – This program is for franchisees and the franchisee's owners who have a proportionate ownership interest in more than 2 Dental Care Centers. A "proportionate ownership interest" means either (a) the franchisee has a direct ownership of more than 2 Dental Care Centers; or (b) one or more of the franchisee's owners have an ownership interest in more than 2 Dental Care Centers and, for each Dental Care Center, the respective ownership interest of each owner is not less than a proportionate interest in relation to any other owners of the Dental Care Center. The Royalty fee for a qualified new franchisee who has 3 or 4 Dental Care Centers will be reduced by 0.20% for as long as they continue to meet the qualifications of the Multiple Office Program with 3 or 4 Dental

Care Centers. The Royalty fee for a qualified new franchisee who has 5 or more Dental Care Centers will be reduced by 0.40% for as long as they continue to meet the qualifications of the Multiple Office Program with 5 or more Dental Care Centers. If you cease to be qualified for the Multiple Office Program, you pay the Royalty fee rate that was in effect when you signed the Franchise Agreement, as described above for the standard program, beginning on the first day of the month following the month in which you cease to qualify for the Multiple Office Program. The Royalty fee for an existing franchisee who starts or acquires additional Dental Care Centers will be the lesser of (a) the Royalty fee stated in the existing franchisee's Franchise Agreement, or (b) the applicable reduction, as stated in this paragraph, from the Royalty fee as described above for the standard program.

5. **Affiliated Group Program** – This program is for franchisees and the franchisee's owners who have an affiliation with 4 or more other dental care centers. An "affiliation" means the owner/doctors of each dental care center belong to a qualified buying group, doctor alliance or doctor network, as we reasonably determine, when the eye care centers join the SMILE SOURCE® Network. An existing franchisee can participate in the Affiliated Group Program, however, the existing franchisee must have an affiliation with 4 or more other new dental care centers and the existing franchisee must sign a renewal franchise agreement with the same Start Date as the other new dental care centers in the affiliated group. Once an affiliated group has joined us, if at any time any of the Dental Care Centers comprising the affiliated group leave the group for any reason and, as a result, there are fewer than 5 Dental Care Centers remaining in the affiliated group, then the affiliated group will have 6 months to find a new qualified replacement Dental Care Center to join the affiliated group, in order to retain the reduced Royalty rate provided by the Affiliated Group Program. Multiple Dental Care Centers that share office space and overhead, who sign multiple franchise agreements, will be treated the same as a single Dental Care Center with multiple owner/doctors and will only be counted as 1 office in determining qualification for the Affiliated Group Program. Dental Care Centers owned by our administrators are not eligible for the Affiliated Group Program. The Royalty fee for each of the qualified new Dental Care Centers comprising the affiliated group is reduced by 0.50% for the initial term of the Franchise Agreement only. The Royalty fee for any renewal term will be the standard rate that was in effect when you signed the Franchise Agreement, as described above for the standard program. The Royalty fee for an existing franchisee who is part of an affiliated group will be the lesser of (a) the Royalty fee stated in the existing franchisee's Franchise Agreement, or (b) the applicable reduction, as stated in this paragraph, from the Royalty fee as described above for the standard program.

You should ask us if you qualify for a reduced Royalty percentage under any of the above programs.

If applicable laws do not permit amounts received for dental services to be included in the calculation of Gross Receipts for the purpose of paying the Royalty, then the term "Gross Receipts" will not include receipts from such services; and the Gross Receipts as calculated will instead be multiplied by two (2) to calculate the Royalty.

If, in the future, a legal determination is made by a government authority or by us upon advice of counsel, that the current method of calculating the Royalty does not conform to current law, then we will negotiate with you in good faith an alternative fee arrangement that would conform to the law and provide equivalent economic value to Smile Source. If you and we do not agree within 60 days, we can terminate the Franchise Agreement immediately upon written notice to you. All post-termination obligations of the parties will remain in effect.

Footnote No. 2 for Non-ACE-Type Program only. If you are not qualified for an ACE-Type Program, as discussed in Footnote No.1, and you qualify for the termination of the Franchise Agreement during the

13th month of the initial term (see Franchise Agreement, Section 9.01(ii)), you may also qualify for a refund of a portion of the Royalty fees paid during the first 12 months of the initial term (the “Test Period”). To qualify, you must satisfy each of the following requirements to our reasonable satisfaction:

1. We have received your properly completed Notice of Election to Opt Out of Franchise Agreement (see Exhibit D in Franchise Agreement) at least 90 days before the requested opt out date.
2. You have not been and are not at that time in default, whether cured or not, of the Franchise Agreement or any other agreement with us or our subsidiaries and affiliates and you have timely paid all Royalty fees with the applicable monthly sales report.
3. You have utilized our dental supply vendor program for at least seventy-five percent (75%) of your dental supply purchases during the Test Period. You must provide us a copy of all invoices for dental supply purchases during the Test Period to support meeting this requirement.
4. You have utilized our dental lab vendor program for at least fifty percent (50%) of your dental lab purchases during the Test Period. You must provide us a copy of all invoices for dental lab purchases during the Test Period to support meeting this requirement.
5. You have utilized our merchant credit card vendor program if the savings exceed \$100 per month over your previous merchant credit card program. You must provide us a copy of all merchant statements during the Test Period to support meeting this requirement.
6. You must have attended at least one Smile Source Exchange conference in its entirety.
7. You must have attended at least 50% of our local, regional and/or state franchisee meetings that include your Office Territory.

If you qualify, the portion of the Royalty fees refunded will be the difference between the total Royalty fees you paid us for the Test Period less the savings you realized from your dental supply purchases and dental lab purchases, under our vendor programs, during the Test Period. The savings will be the differential on what your dental supplies and dental lab purchases actually cost you during the Test Period compared to what similar dental supplies and dental lab purchases would have cost you from your other vendors. (See Exhibit E-2A to this disclosure document)

Footnote No. 3. If we terminate the Franchise Agreement based on your default or wrongful repudiation of the Franchise Agreement, you must pay us liquidated damages in an amount equal to the accrued Royalties during the immediately preceding 24 full calendar months or the number of months remaining in the term of the Franchise Agreement at the date of termination, whichever is less. If you have been operating the Dental Care Center for less than 24 months, then the amount will be the average monthly Royalty since the Start Date multiplied by 24. Notwithstanding the above formula, liquidated damages will not be less than \$1,000 per month. You must also pay any taxes assessed on the payment of liquidated damages.

* * *

Except as otherwise noted in Footnote 1, all of the fees in this Item are uniformly imposed on new franchisees and Associate Members. All of these fees are payable to Smile Source and are non-refundable except as stated in Footnote No. 2.

We may apply your payments to any past due debt you owe us regardless of how you say the payment should be applied. We may deduct past-due amounts owed by you to Smile Source and our affiliates from

any rebates we would otherwise distribute to you under the Cooperative Buying Program (see Item 8). If you do not pay all amounts when due, we may suspend our services and support, including your participation in the Cooperative Buying Program, until you cure the delinquency.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – NEW OFFICE

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	None			
Architectural & Miscellaneous Site Improvement Changes (Note 1)	\$5,000 to \$300,000	As Incurred	Prior to Opening	Vendors
Leasing of Dental Care Center (deposit and first month's rent) (Note 1)	\$2,500 to \$6,000	As Incurred	Prior to Opening	Landlord
Signage	\$3,000 to \$10,000	As Incurred	Prior to Opening	Suppliers
Legal Fees	\$800 to \$1,200	As Incurred	As Incurred	Attorneys
Initial Inventories (Dental Supplies)	\$20,000 to \$40,000	As Incurred	As Incurred	Vendors
Point-of-Sale Computer & Accounting Set-up	\$2,000 to \$8,000	As Incurred	As Incurred	Vendors and Accounting Professional(s)
Office Equipment and Furniture	\$2,000 to \$10,000	As Incurred	As Incurred	Suppliers
Prepaid Expenses and Deposits	\$2,000 to \$3,000	As Incurred	As Incurred	Vendors & Utilities
Practice Development Expenses	\$2,000 to \$5,000	As Incurred	As Incurred	Suppliers
Insurance (initial premium) (Note 2)	\$1,200 to \$1,800	As Incurred	As Incurred	Insurance Company
Additional Funds – 3 Months (Note 3)	\$20,000 to \$50,000	As Incurred	As Incurred	Vendors & Suppliers
Total (Note 4)	\$60,500 to \$435,000			

YOUR ESTIMATED INITIAL INVESTMENT – EXISTING OFFICE

Type of Expenditures	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	None			
Signage	\$3,000 to \$10,000	As Incurred	Prior to Opening	Suppliers
Initial Inventories (Dental Supplies)	\$2,000 to \$20,000	As Incurred	As Incurred	Vendors

Type of Expenditures	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Legal Fees	\$800 to \$1,200	As Incurred	As Incurred	Attorneys
Practice Development Expenses	\$2,000 to \$5,000	As Incurred	As Incurred	Suppliers
Additional Funds – 3 Months (Note 3)	\$20,000 to \$50,000	As Incurred	As Incurred	Vendors & Suppliers
Total (Note 4)	\$27,800 to \$86,200 (Does not include real estate costs, if any)			

Notes to both Tables:

Note 1: Premises. You must pay for or provide financing for the leasing or purchase of real property and the construction or conversion of a building. Such variables as property cost, location, cost of construction, and local building codes make it difficult to estimate accurately the rental or purchase cost of real property. Smile Source franchises may have 1,200 to 5,000 or more square feet of leased space.

If the property is owned by a third party and leased, the rent for the first month is estimated to be \$2,500 to \$6,000 and the security deposit is usually equal to one months' rent. You may also incur site development and improvement costs (i.e., architectural and engineering fees, blueprint alteration costs, zoning and use costs, license fees, etc.) of up to \$300,000, particularly in a third party build-to-suit arrangement.

Note 2: Insurance. You must carry and maintain in full force and effect, with an acceptable insurer or insurers who include Smile Source as an additional insured, acceptable policy or policies of:

1. Professional errors & omissions insurance with minimum amounts of \$1,000,000 per occurrence and \$2,000,000 annual aggregate. You must obtain the policy from an insurance company with a rating of at least "AXII" by Best & Co. or a comparable rating by a comparable rating agency approved by Smile Source.
2. Product liability insurance with minimum amounts of \$1,000,000 per occurrence and \$2,000,000 annual aggregate.
3. General liability insurance in the minimum amount of \$1,000,000.

Note 3: Additional Funds. The estimated amount is for license fees, salaries, business start-up and other overhead expenses payable during the first 3 months of business operations. Working capital needs will vary depending on numerous factors, and may vary beyond the low-high range in the table.

Note 4: Total. Smile Source relied on its 7 plus years of experience in the franchised dental care business to compile these estimates. You should review these figures carefully with a business advisor before deciding to purchase the franchise. Neither Smile Source nor its affiliates, will finance any part of your initial investment.

The above figures may vary and all costs may increase. Except as otherwise stated, all costs are normally payable to a third-party supplier and are usually incurred within 6 months of signing the Franchise Agreement. Except for the leasehold and utility deposits, the above expenditures are nonrefundable. You should review your lease agreement and utility company regulations to determine if any deposits are refundable and under what circumstances.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We do not have specifications you must follow or designated suppliers or approved suppliers you must use for goods, services or real estate.

We negotiate purchasing arrangements with vendors of dental and other products and services to obtain pricing concessions and/or discounts for Smile Source franchisees based on the buying power of our Network. We refer to these arrangements as our “Cooperative Buying Program.” You are under no obligation to purchase from our suppliers or to participate in any volume discounts, and we do not warrant or guarantee you will be allowed to participate in all aspects of the Cooperative Buying Program. By participating in the Cooperative Buying Program, you agree that the participating vendors may disclose to us the details of the vendor’s transactions with you and your Dental Care Center. You also agree that all Cooperative Buying Program details and transaction data are subject to the confidentiality provisions in the Franchise Agreement. Since we do not have designated or approved suppliers, none of our officers have an ownership interest in any designated or approved suppliers.

Some suppliers and vendors in our Cooperative Buying Program will pay us revenue based on your purchases if you use them. In our sole discretion, we will (i) except as stated below for ACE Members and an ACE-Type Program, pay a portion of that revenue to you and retain the balance as partial reimbursement for our administrative costs in obtaining and maintaining those purchasing arrangements and for handling the payments to the Smile Source franchisees; and/or (ii) use all or a portion of that revenue to defray the cost of local, regional and national meetings of Smile Source franchisees, sponsorship of marketing practice management consultants and seminars, and the Smile Source website. These vendor payments are not guaranteed and we have no way of knowing if vendor payments will be received.

We will retain all supplier and vendor revenue we receive that is based on purchases before May 1, 2015 by ACE Members under the Cooperative Buying Program and there will be a similar provision for other ACE-Type Programs, as discussed in Item 6, Footnote No.1.

During our fiscal year ended December 31, 2015, we did not derive any revenue from required purchases by franchisees. As noted above, all purchases under our Cooperative Buying Program are voluntary.

ITEM 9
FRANCHISEE’S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site Selection and acquisition/lease	Not Applicable	Item 11
b. Pre-opening purchases/leases	Not Applicable	Item 5
c. Site development and other pre-opening requirements	Section 5.05 of Franchise Agreement	Items 7 and 11
d. Initial and ongoing training	Not Applicable	Item 11
e. Opening	Section 9.01(vi)(h) of Franchise Agreement	Item 17
f. Fees	Sections 4.01, 4.02 and 10(j) of Franchise Agreement	Items 5 and 6
g. Compliance with standards and policies/operating manual	Not Applicable	Item 11

Obligation	Section in Agreement	Disclosure Document Item
h. Trademarks and proprietary information	Section 5.09 and Article 8 of Franchise Agreement	Items 13 and 14
i. Restrictions on products / services offered	Section 5.03 of Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Not Applicable	None
k. Territorial development and sales quotas	Not Applicable	None
l. Ongoing product/service purchases	Not Applicable	None
m. Maintenance, appearance and remodeling requirements	Section 5.06 of Franchise Agreement	None
n. Insurance	Section 5.02 of Franchise Agreement	Item 7
o. Advertising and Marketing	Section 5.09 of Franchise Agreement	Item 11
p. Indemnification	Article 11 of Franchise Agreement	Item 6
q. Owner's participation / management /staffing	Section 5.03 and 5.04 of Franchise Agreement	Items 1 and 15
r. Records and reports	Section 5.08 of Franchise Agreement	Items 6 and 11
s. Inspections and audits	Article 12 of Franchise Agreement	Item 6
t. Transfer	Article 7 of Franchise Agreement	Item 17
u. Renewal	Section 3.02 of Franchise Agreement	Item 17
v. Post-termination obligations	Article 10 of Franchise Agreement	Item 17
w. Non-competition covenants	Section 5.10 of Franchise Agreement	Item 17
x. Dispute resolution	Article 13 of Franchise Agreement	Item 17
y. Compliance with laws	Section 5.04 of Franchise Agreement	Item 17
z. Non-Disclosure Agreement	Section 8.06 of Franchise Agreement	Item 15 and Exhibit G

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or any other financing obligations.

The Franchise Agreement grants us a first priority security interest in the business assets of your franchise. The security interest secures payment of all amounts that you owe to us from time to time under the Franchise Agreement and any other agreements you may have with us. Our security interest in your business assets may impair your ability to obtain financing from other potential lenders. In order to facilitate your efforts to obtain financing, we will agree to subordinate our security interest to the security interest of another lender, but only under certain conditions. Exhibit E-3 to this disclosure document is the form of Franchisor Consent and Subordination Agreement that we offer to sign with you and your lender for this purpose.

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

Except as listed below, Smile Source is not required to provide you with any assistance.

Pre-opening Assistance. Before you open your Dental Care Center or convert your existing business to a Dental Care Center, we will:

1. Designate your territory. (Franchise Agreement Section 1.04) In certain circumstances we have

approved two or more franchisees to operate Dental Care Centers utilizing the System and the Name and Marks within a portion of their designated territories but only upon the written consent of all franchisees physically located within that designated territory.

2. Provide information regarding your access to the Cooperative Buying Program. (Franchise Agreement Section 6.01)

Site Selection. If you do not have an existing dental care center, you will select the site for your Dental Care Center. We must approve the site you select. Among the factors we consider in approving sites are the specific location of the proposed site within the Territory, your reputation within the area, and the ability for the specific proposed site to provide the desired services and be equipped to provide patients with the standard of care for that region of the State. We have a reasonable period of time to approve or disapprove of the site you choose for your Dental Care Center. If we cannot agree on a site for your Dental Care Center, we will not sign a Franchise Agreement and you may not operate a Dental Care Center under the System and the Names and Marks. (Franchise Agreement Section 1.04)

Development Time. If you have an existing dental care center, the typical time between signing of the Franchise Agreement and the conversion to the Smile Source name and System will vary from immediately to 2 months. This period can be longer or shorter than 2 months depending on the remodeling necessary to convert your existing business and your ability to quickly obtain office supplies and signs.

If you do not have an existing dental care center, the typical time between signing of the Franchise Agreement and opening your Dental Care Center will vary from 2 to 6 months. This period can be longer or shorter depending on the construction work necessary, the financing needs of the business, building permits for the business, compliance with zoning and local ordinances, weather conditions, availability of products and your ability to quickly obtain office supplies and signs.

In both cases, the Franchise Agreement requires you open for business within 180 days after acceptance of the Franchise Agreement. (Franchise Agreement Section 9.01(vi)(h))

Ongoing Assistance. After you open your Dental Care Center or convert your business to a Dental Care Center, we will:

1. Administer the Cooperative Buying Program. You will be entitled to participate in discounts and rebates on purchases through the Cooperative Buying Program, but any supplier may decide not to sell products or services to any franchisee. We do not guarantee you will be able to participate in all aspects of the Cooperative Buying Program. (Franchise Agreement Section 6.01)
2. Provide individual and/or Network-wide consultation and advice to you in the management and promotion of your Dental Care Center. You may decide, in your sole discretion, whether to follow our advice. We may provide consultation and advice in written materials, by postings on a web site, by telephone, in person at our office or your location, at franchisee meetings, or by any other means we choose. We will also facilitate the exchange of practice development ideas between our franchisees and others whose expertise may benefit the franchisees. (Franchise Agreement Section 6.02).
3. Make available for your use a limited amount of advertising and promotional material and services. These may include video and audiotapes, forms and templates, copy-ready print advertising materials, and miscellaneous point-of-sale items. Artwork may be provided in digital form. You must pay your own reproduction costs if you use this material. (Franchise Agreement Section 6.03)

Advertising. Except as described above, we do not have a central advertising or marketing program for the Network. You do not have to contribute to an advertising fund. We do not have a franchisee advisory council to advise us on advertising. You do not have to participate in a regional advertising cooperative. If you want to use any advertising or marketing material(s), that will include the Names and Marks, you must submit

those materials for review and our approval prior to any use.

Electronic Equipment and Computers. We do not require that you acquire and use any specified electronic cash register equipment or computer system. If you acquire and use an electronic cash register or computer system, we will not have independent access to any information and data on your computer system.

Training. As stated in Item 1 of this disclosure document, the Dental Care Center must be under the supervision and managerial control of a licensed dentist. We do not provide any formal or informal training.

Operations Manual. We do not have an operating manual. Because the Dental Care Center must be under the supervision and managerial control of a licensed dentist, we have not developed a franchisee guide or any other manual(s).

ITEM 12 TERRITORY

Each Franchise Agreement is granted for a specific business address (the “Designated Location”). If you have an existing dental office, we anticipate that the Designated Location will be the site of your existing dental office. If you do not have an existing dental office, you must obtain our approval of your initial location. We will not unreasonably withhold approval.

You must operate the Dental Care Center only at the Designated Location. If you wish to relocate the Dental Care Center, the address of a new Designated Location must be approved by both parties. We will not withhold our consent to relocation within the Territory (as defined below) unless we believe that the proposed new location might have an unreasonably adverse effect on another current or prospective SMILE SOURCE® franchisee or damage the goodwill associated with the Names and Marks. Our consent to any such change, whether inside or outside the Territory, may be conditioned upon an amendment to modify the Territory. We will consider allowing relocation outside the original Territory only if: (a) the amended Territory does not extend into another current or prospective franchisee’s Territory (or we obtain the other franchisee’s consent), and (b) amending the Territory would not interfere with any pending grant of a franchise or Associate Membership to another dentist. If you change the location of your Dental Care Center, whether within or outside your Territory, without first obtaining our written consent, we may either (i) consent to the new location of your Dental Care Center and, in our discretion, modify your Territory by written notice to you, or (ii) terminate your Franchise Agreement.

While you will receive the territorial protection described below, you will not receive an “exclusive territory.” You may face competition from other franchisees, from Associate Members, from outlets that we own, or from other channels of distribution or competitive brands that we own.

We will define an area around the Designated Location (the “Territory”) within which we will not establish or franchise others to establish a Dental Care Center providing general dentistry services under the Names and Marks. Before you execute the Franchise Agreement, you and Smile Source will agree on your Territory, expressed in relation to the centerlines of highways, streets and boundary lines, or some other mutually agreeable method. We do not have a minimum or maximum area we will assign as a Territory; rather, the size of your Territory will depend upon the demographic information for the proposed Territory and also the area within which you would reasonably be expected to draw patients and customers to your Dental Care Center.

Your protection for the Territory is subject to some important limitations:

1. In certain circumstances, we have approved two or more franchisees to operate Dental Care Centers providing general dentistry services within the same Territory or portion of the same Territory but only upon the written consent of all franchisees who will be sharing that designated Territory.

2. We retain the right to grant franchises to dental specialists (oral surgeons, endodontists, orthodontists, pedodontists, periodontists, prosthodontists and other certified or accredited dental specialists) to use the System under the Name and Marks in Dental Care Centers anywhere inside your Territory.
3. If your Franchise Agreement expires, we have the right to (i) establish or franchise other Dental Care Centers in your Territory, and (ii) grant Associate Memberships in your Territory, even if we accept a Royalty payment from you after your Franchise Agreement has expired and even if we have not announced the expiration of your Franchise Agreement to the suppliers in the Cooperative Buying Program.
4. If you default under your Franchise Agreement and your default continues after written notice from us and beyond any applicable cure period, and we elect not to terminate your Franchise Agreement during the remainder of the initial term and any renewal terms, we have the right to (i) establish or franchise other Dental Care Centers in your Territory, and (ii) grant Associate Memberships in your Territory, even if your default is subsequently cured.
5. We and other franchisees and Associate Members have the right to conduct general advertising, direct and indirect sales, marketing and promotional programs anywhere, including within your Territory, as permitted by state law.
6. During the term of your Franchise Agreement, we may grant Associate Memberships in your Territory but only with your prior written consent.

All Smile Source franchisees and Associate Members have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside his or her territory. Therefore, you may solicit business from any patient or customer, irrespective of the location of the patient or customer, and we or any other franchisee and Associate Member may solicit business from any patient or customer, even if the patient or customer is in your Territory. You do not receive any compensation for the solicitation of patient(s) and customer(s) within your Territory.

For your first franchise with us, You will have a nontransferable option during the initial 5 year term of the Franchise Agreement and any renewals terms to obtain up to 2 additional Dental Care Center franchises, at locations we approve which are outside any available Territory granted to you, under the same terms and conditions for the payment of Royalty Fees as in your first Franchise Agreement, except the reduced Royalty fees for the new graduate program described in Item 6 will not apply for any additional Dental Care Center franchises. This option may be exercised only if you own 50% or more of the ownership interest in the additional Dental Care Center and you are not in default of your Franchise Agreement. You are not granted any other rights to establish additional Dental Care Centers.

We and our affiliates retain the right to establish franchise networks and grant franchises, under other names and marks, inside or outside the Territory. However, neither we nor our affiliates operates, nor do we have any present plans to operate or franchise or license the operation of, any business selling similar goods or services under different trade names or trademarks

The continuation of your territorial rights is not dependent upon achievement of any certain sales volume, market penetration or other contingency.

ITEM 13

TRADEMARKS

Under the Franchise Agreement, we will grant you the right to operate a Dental Care Center under the name "SMILE SOURCE®." If you are not permitted by applicable State laws and regulations to operate under the SMILE SOURCE® name, then you may operate, as permitted by law, the Dental Care Center as a

“Member of the SMILE SOURCE® Network.”

We have registered the following Names and Marks on the Principal Register of the U.S. Patent and Trademark Office:

SMILE SOURCE

Reg. No. 3839406 Granted August 24, 2010



Reg. No. 4158866 Granted June 12, 2012



Reg. No. 4158931 Granted June 12, 2012

We have filed all affidavits required to date for these Names and Marks with the United States Patent and Trademark Office.

We also claim any and all common-law rights to the trademarks and service marks listed above, which we have used in interstate commerce.

You must notify us immediately when you learn of any infringement or unauthorized use of Smile Source’s Names and Marks, and of a trademark identical to or confusing similar to a trademark we have licensed to you. We have the sole right to control any administrative proceedings or litigation involving a trademark licensed by Smile Source to you. We will take the action appropriate in our sole discretion. We are not required to protect you against infringement or unfair competition claims arising out of your use of the Names and Marks, or to participate in your defense or indemnify you.

Your use of the Names and Marks and any goodwill associated with the Names and Marks is to Smile Source’s benefit. Other than as set forth in the Franchise Agreement, you obtain no other rights to the Names and Marks. You retain no rights in the Names and Marks upon the expiration or termination of the Franchise Agreement.

You agree to use the Names and Marks in a manner that will inform the public that the Dental Care Center is part of the SMILE SOURCE® Network. You agree to follow any written guidelines we provide concerning your use of the Names and Marks. You also agree to include the “®” symbol wherever you use the Names and Marks in your Dental Care Center.

There are no currently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the trademark administrator of any state or any court relating to our principal Names and Marks. There is no pending interference, opposition, or cancellation proceedings nor any pending material litigation involving the Names and Marks.

There are no agreements in effect which significantly limit our rights to use, franchise or license the use of the Names and Marks.

We know of no superior prior rights or infringing uses which could materially affect your use of the Names and Marks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We own no patents or pending patent applications material to the franchise. We have not registered any copyrights, but we claim unregistered copyrights in the Franchise Agreement itself and in our sales,

marketing, promotional and other materials.

The Franchise Agreement requires you to maintain as confidential, both during and for 3 years after the term of the Franchise Agreement, any confidential information, knowledge, or know-how concerning Smile Source, the System or the operation of the Dental Care Center you or your owners may have learned by the franchise relationship including, but not limited to, the terms and conditions of offers by vendors under the Cooperative Buying Program. You may divulge confidential information only to your employees or agents who must have access to it to operate the Dental Care Center, and those employees and agents must be instructed not to divulge confidential information. See Item 15 below concerning your obligations to obtain confidentiality and non-competition agreements from persons involved in the business.

You must promptly notify us if you learn about any unauthorized use of our copyrighted materials or proprietary information. We have no obligation to take any action in response to this notice. We will take the action we determine, to be appropriate. If your Franchise Agreement terminates you must immediately cease use of and return all proprietary information to us.

ITEM 15

OBLIGATION TO PARTICIPATE

IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You, if you are an individual, or all your owners, if you are a professional entity, must be licensed dentists in good standing. You or one of your owners must exercise personal on-premises supervision over the Dental Care Center.

You will be responsible for all business and management decisions for your dental practice. We may not interfere with your professional judgment. We may not assert ownership in your dental practice, patient medical records or medical equipment. You will be fully responsible for all aspects of your dental practice, including but not limited to the selection of employees, contractors, inventory and medical equipment, coding and billing procedures, decisions regarding patient care or any patient's need for referrals to other health care practitioners, and your hours of practice.

Each individual who has an ownership interest in the franchisee entity must sign a personal guaranty of the company's obligations under the Franchise Agreement. Our current form of personal guaranty is in Exhibit F to this disclosure document.

You must instruct your employees and agents to not divulge any confidential information, knowledge, or know-how concerning the System or the operation of the Dental Care Center. Our current form of Nondisclosure Agreement to Protect Release of Confidential Information is in Exhibit G to this disclosure document.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Smile Source franchisees must offer primary dental care services and sell dental supplies and products. As long as your services and products are of high standards and of a style, appearance and quality suited to the protection and enhancement of the Names and Marks, you may sell any lawful services, products or supplies you desire.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements.

You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.01	60 calendar months from the start date of the Franchise Agreement.
b. Renewal or extension of the term	Section 3.02	You can renew for additional term(s) of 60 calendar months each, unless we have announced a decision to stop franchising or withdraw from doing business in the geographic area of your Dental Care Center. Our acceptance of a Royalty payment after the expiration of your Franchise Agreement does not constitute our approval or acceptance of a renewal or extension of the term.
c. Requirements for franchisee to renew or extend	Section 3.02	Requirements include: Not in default; pay all sums due; have not been delinquent with monthly sales reports and monthly Royalty Fees more than once during any 12-month period; submit renewal application at least 3 months before end of term; sign new franchise agreement; and sign a release. The renewal franchise agreement may have materially different terms and conditions from your expiring contract.
d. Termination by franchisee	Section 9.01(ii) and (iii)	For non-ACE-Type Program – You can terminate without cause in the 13 th full calendar month of the initial term if you give us at least 90 days written notice in the form of Exhibit D in the Franchise Agreement and you satisfy the conditions stated in the written notice form. For ACE-Type Program – You can terminate without cause on a fixed date established for the ACE-Type Program if you give us written notice before that fixed date, in the form of Exhibit D in the Franchise Agreement and you satisfy the conditions stated in the written notice form You can terminate if we fail to cure within allowed cure period following your written notice of default.
e. Termination by franchisor without “cause”	None	None, except that Franchise Agreement terminates without cause when the term expires.
f. Termination by franchisor with “cause”	Section 9.01(iv), (v) and (vi)	We can only terminate for cause. However, if we have given you notice of a default, we can suspend our services and support, including your participation in the Cooperative Buying Program, until you cure the default.
g. “Cause” defined – curable defaults	Section 9.01(iv) and (v)	<u>You have 15 days to cure for:</u> failure to pay any amount due; failure to submit the financial reports required by the Franchise Agreement; or making of false statements in the financial statements. <u>You have 60 days to cure for:</u> failure to comply with other provisions of the Franchise Agreement; failure to satisfy a final judgment over \$5,000; foreclosure of any lien or mortgage relating to the franchised business; loss or suspension of the professional license of the person performing dental care services; loss of other licenses and/or permits necessary for operation of the business.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined – non-curable defaults	Section 9.01(vi)	<u>Non-curable defaults:</u> you materially and substantially impair the goodwill associated with the Names and Marks; you or your owners materially and substantially impair our rights or security interest in the business assets of your franchise; you or your owners use the System or Names and Marks at a similar office without our written authorization; you commit the same default twice in a 12-month period; you act without a required approval from us; you or your owners breach the confidentiality provisions; bankruptcy proceedings are initiated by or against you (see Note 1); you are adjudicated a bankrupt or insolvent; a final court or governmental agency or department order is issued against you that causes you to cease or materially restrict the operation of the Franchised Business; you fail to open the Dental Care Center within 180 days after the start date of the Franchise Agreement; you close the business for any period in excess of 30 days; you violate the transfer restrictions contained in the Franchise Agreement; you fail to operate all of your dental offices as franchised Smile Source offices (waived if the Territory is not available, but must become franchised Smile Source office if Territory becomes available at a later date); any administrative or judicial proceeding is commenced against you or your professional staff and the proceeding is not dismissed within 60 days; you or your professional staff are convicted of or plead guilty or no contest to any crime punishable by imprisonment for more than 1 year; or you submit a false report to us.
i. Franchisee's obligations on termination/nonrenewal	Article 10	Among other things, you must: immediately cease using the System and the Names and Marks; return any materials bearing the Names and Marks; pay all amounts due to Smile Source; change the telephone number(s) advertised for the Dental Care Center unless you timely pay your pro-rata share of the charges for the advertisement; cancel or terminate any assumed names, internet domain names, email addresses and social media which contain any of the Names and Marks; and notify all vendors and suppliers in the Cooperative Buying Program; notify every payer under any insurance plan or managed care program in which you participate. Subject to state law (see Exhibit J), you must also pay us liquidated damages if termination was based on your default or repudiation of the Franchise Agreement. If we terminate the Franchise Agreement based on your uncured default, we may elect to terminate any other agreement that we or any of our affiliates have with you or any of your affiliates relating to the same Dental Care Center or to any other dental office(s).

Provision	Section in Franchise Agreement	Summary
j. Assignment of contract by franchisor	Section 16.15	We can assign without your consent, provided that we reasonably believe that the assignee can perform our obligations under the Franchise Agreement and the assignee expressly agrees to assume those obligations.
k. "Transfer" by franchisee – definition	Section 7.01	Includes sale of substantially all of the business assets, assignment of the Franchise Agreement, or transfer of stock or other ownership rights in a corporation, partnership or LLC, if the sale will result in a change in control of the Dental Care Center
l. Franchisor approval of transfer by franchisee	Section 7.01 and 7.05	We have the right to approve all transfers. We may disapprove a transfer if, in our sole discretion, the proposed transferee is a person or entity which does not meet our then-current qualifications for new Smile Source franchise applicants or associate membership in the Network. Our failure to disapprove within 30 days after receipt of your written notice of proposed transfer is deemed to be our approval of the transfer. No approval is required for a transfer from a named owner Doctor to another named owner Doctor, for a transfer by an owner Doctor to an associate Doctor that you have employed for at least 3 months, or for a transfer to a member of the owner Doctor's family.
m. Conditions for franchisor's approval of transfer	Section 7.02, 7.05 and 7.06	Conditions include: submit written notice to us with a copy of your financial statements, submit financial statements of proposed transferee and copy of transfer agreement; new franchisee meets our qualifications for new franchisees; new franchisee signs new franchise agreement; new owners sign guaranty; you sign a special release of claims against us; you pay all amounts owed to us and you are not in default.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 7.03	We can match any offer for your business on same terms or reasonable equivalent amount determined by independent appraiser. Does not apply to certain specific transfers as stated in the Franchise Agreement.
o. Franchisor's option to purchase franchisee's business	None	Not applicable.
p. Death or disability of franchisee	Section 7.07	Must comply with all provisions relating to a transfer of the franchised business and complete the transfer within 6 months after death or disability.

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 5.10	You may not operate another dental office at any location inside or outside the Territory except under a separate franchise agreement with us. If you have another dental office that cannot be a Smile Source office because it is located within another Smile Source franchisee's territory, then you may operate the other dental office, provided that (i) it does not use the System or the Names and Marks; (ii) the office and office address are not listed in any advertisements containing all or any part of the Names and Marks or on any website, stationary or other business materials used in connection with the Franchised Business; (iii) the other office does not participate in any benefits under our Cooperative Buying Program; and (iv) if the territory becomes available at a later date, you enter into a separate franchise agreement with us for the office.
r. Non-competition covenants after the franchise is terminated or expires	None	No restriction on operating a Dental Care Center; however, for 3 years following nonrenewal, termination, or an approved transfer, you may not use Confidential Information to negotiate special pricing and/or purchase concessions from any vendor, whether or not that vendor is participating in our Cooperative Buying Program.
s. Modification of the agreement	Section 16.03	Amendments must be in writing and signed by you and us.
t. Integration/merger clause	Section 16.02	Only the terms of the Franchise Agreement are binding (subject to state law; see Exhibit J). Any other promises may not be enforceable. However, this clause will not be treated as a disclaimer of our representations in this disclosure document.
u. Dispute resolution by arbitration or mediation	Article 13	All disputes must be submitted to mediation and arbitration, except for collection actions and actions for declaratory relief or preliminary and permanent injunctive relief.
v. Choice of forum	Article 13	Subject to state law (see Exhibit J), all mediation, arbitration and litigation must be conducted in Harris County, Texas.
w. Choice of law	Section 16.04	Except to the extent governed by Federal law, the law of the state where the Dental Care Center is located applies.

Note 1 – Termination based on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

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 the franchisor's management by contacting us at 23824 Highway 59 North, Kingwood, Texas 77339, Attn: General Counsel, or by email to Legal@SmileSource.com or by phone to (281) 318-7818, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Item 20 - Table No. 1
Systemwide Outlet Summary
For Years 2013 to 2015

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2013	58	145	+87
	2014	145	269	+124
	2015	269	352	+83
Company-Owned	2013	0	0	0
	2014	0	0	0
	2015	0	0	0
Total Outlets	2013	58	145	+87
	2014	145	269	+124
	2015	269	352	+83

Smile Source has no company-owned Dental Care Centers.

Item 20 - Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2013 to 2015

State	Year	Number of Transfers
California	2013	0
	2014	0
	2015	1
New Jersey	2013	0
	2014	0
	2015	1
Texas	2013	0
	2014	0
	2015	1
Total	2013	0
	2014	0
	2015	3

Item 20 - Table No. 3
Status of Franchised Outlets
For Years 2013 to 2015

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	2013	1	6	1	0	0	0	6
	2014	6	1	1	0	0	0	6
	2015	6	2	1	0	0	0	7
Arkansas	2013	0	2	0	0	0	0	2
	2014	2	1	0	0	0	0	3
	2015	3	2	1	0	0	0	4
Arizona	2013	3	0	0	0	0	0	3
	2014	3	0	0	2	0	0	1
	2015	1	7	0	0	0	0	8
California	2013	5	1	1	0	0	0	5
	2014	5	11	0	3	0	0	13
	2015	13	5	1	0	0	0	17
Colorado	2013	4	6	0	0	0	1	9
	2014	9	4	0	0	0	0	13
	2015	13	3	1	0	0	0	15

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Connecticut	2013	0	0	0	0	0	0	0
	2014	0	4	0	0	0	0	4
	2015	4	0	0	0	0	0	4
Florida	2013	0	0	0	0	0	0	0
	2014	0	5	0	0	0	0	5
	2015	5	1	2	0	0	0	4
Georgia	2013	1	23	0	0	0	0	24
	2014	24	15	4	0	0	1	34
	2015	34	4	5	0	0	0	33
Hawaii	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	1	0	0	0	0	3
Idaho	2013	3	0	0	0	0	0	3
	2014	3	0	0	0	0	0	3
	2015	3	1	0	0	0	0	4
Iowa	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
Illinois	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	4	0	0	0	0	4
Kansas	2013	0	0	0	0	0	0	0
	2014	0	2	0	0	0	0	2
	2015	2	0	1	0	0	0	1
Kentucky	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
	2015	1	0	1	0	0	0	0
Louisiana	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
	2015	1	2	0	0	0	0	3
Maryland	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	2	0	0	0	0	2
Massachusetts	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Michigan	2013	0	1	0	0	0	0	1
	2014	1	6	0	0	0	0	7
	2015	7	1	1	0	0	0	7

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Minnesota	2013	0	0	0	0	0	0	0
	2014	0	2	0	0	0	0	2
	2015	2	10	1	0	0	0	11
Missouri	2013	0	0	0	0	0	0	0
	2014	0	2	0	0	0	0	2
	2015	2	6	1	0	0	0	7
Montana	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Nebraska	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Nevada	2013	2	0	1	0	0	1	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
New Jersey	2013	0	0	0	0	0	0	0
	2014	0	6	0	0	0	0	6
	2015	6	1	1	0	0	0	6
New York	2013	0	0	0	0	0	0	0
	2014	0	4	0	0	0	0	4
	2015	4	0	0	0	0	0	4
North Carolina	2013	0	0	0	0	0	0	0
	2014	0	3	0	0	0	0	3
	2015	3	1	0	0	0	0	4
Ohio	2013	0	0	0	0	0	0	0
	2014	0	2	0	0	0	0	2
	2015	2	2	0	0	0	0	4
Oklahoma	2013	0	3	0	0	0	0	3
	2014	3	7	0	0	0	0	10
	2015	10	4	2	0	0	0	12
Oregon	2013	0	1	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Pennsylvania	2013	0	0	0	0	0	0	0
	2014	0	3	0	0	0	0	3
	2015	3	1	0	0	0	0	4
South Carolina	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
	2015	1	1	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Tennessee	2013	5	12	0	0	0	0	17
	2014	17	9	4	0	0	0	22
	2015	22	7	1	0	0	0	28
Texas	2013	16	33	4	0	0	1	44
	2014	44	37	7	0	0	2	72
	2015	72	23	6	0	0	0	89
Utah	2013	2	0	0	2	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
Vermont	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Virginia	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	3	0	0	0	0	3
Washington	2013	14	12	0	0	0	1	25
	2014	25	19	2	0	0	0	42
	2015	42	17	4	0	0	0	55
Wisconsin	2013	0	0	0	0	0	0	0
	2014	0	3	0	0	0	0	3
	2015	3	1	1	0	0	0	3
Total	2013	58	100	7	2	0	4	145
	2014	145	150	18	5	0	3	269
	2015	269	114	31	0	0	0	352

Item 20 - Table No. 4
Status of Company-Owned Outlets
For Years 2013 to 2015

Smile Source has no company-owned Dental Care Centers.

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Totals for All States	2013	0	0	0	0	0	0
	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0

Item 20 - Table No. 5
Projected New Franchised Outlets
As of December 31, 2015

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchise Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Alabama	0	4	0
Arkansas	0	4	0
Arizona	0	9	0
California	0	11	0
Colorado	0	11	0
Connecticut	0	4	0
Florida	0	8	0
Georgia	0	10	0
Idaho	0	1	0
Kansas	0	2	0
Kentucky	0	2	0
Louisiana	0	2	0
Maryland	0	2	0
Massachusetts	0	10	0
Michigan	0	6	0
Minnesota	0	6	0
Missouri	0	4	0
Montana	0	4	0
Nevada	0	2	0
New Jersey	0	13	0
New York	0	10	0
North Carolina	0	6	0
Ohio	0	4	0
Oklahoma	0	6	0
Oregon	0	2	0
South Carolina	0	2	0
Tennessee	0	6	0
Texas	0	11	0
Virginia	0	2	0
Washington	0	10	0
Wisconsin	0	0	0
Total	0	174	0

Exhibit H to this disclosure document is a list of all Smile Source franchisees in the U.S.A. as of December 31, 2015 and the addresses and telephone numbers of their Dental Care Centers.

Exhibit I to this disclosure document is a list of every Smile Source franchisee who had an outlet terminated, cancelled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during calendar year 2015, or who has not communicated with Smile Source within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, we have not signed any confidentiality clauses with current franchisees which would restrict them from speaking openly with you about their experience with Smile Source. In some instances, former franchisees have signed provisions restricting their ability to speak openly about their experience with Smile Source. You may wish to speak with current and former franchisees, but be aware that not all former franchisees will be able to communicate with you.

We have not created or sponsored any trademark-specific franchisee organizations associated with the franchise system, and no independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Exhibit C to this disclosure document contains the Auditor's Report and Consolidated Financial Statements of Smile Source as of December 31, 2014 and December 31, 2013, including the related Balance Sheets, and the Consolidated Statements of Operations, Partners' Deficit and Cash Flows for the years then ended, and the related notes to the financial statements.

Exhibit D to this disclosure document contains the following financial statements:

- | | |
|-------------|---|
| Exhibit D-1 | Independent Auditor's Report and Financial Statements of Smile Source Marketing, Inc. as of December 31, 2015, including the related Balance Sheet, and the Consolidated Statements of Operations, Partner's Deficit and Cash Flows for the year then ended, and the related notes to the financial statements. |
| Exhibit D-2 | Independent Auditor's Report and Financial Statement of Smile Source Marketing, Inc. as of March 31, 2016, including the related Balance Sheet and the related notes to the financial statement. |

Our separate financial statements as of December 31, 2015 are not included in this disclosure document. Should we fail to fulfill our duties and obligations to our franchisees under their franchise agreements, however, Smile Source Marketing, Inc. absolutely and unconditionally guarantees to assume those duties and obligations. A copy of Smile Source Marketing, Inc.'s Guarantee of Performance is included in this disclosure document as Exhibit D-3.

ITEM 22

CONTRACTS

The Smile Source Franchise Agreement is attached as Exhibit E-1. The Royalty Reduction Addendum is attached as Exhibit E-2A, for Non-ACE-Type Program and Exhibit E-2B for ACE-Type Program. The Franchisor Consent and Subordination Agreement is attached as Exhibit E-3. The Guaranty of Franchise Agreement is attached as Exhibit F. The Nondisclosure Agreement to Protect Release of Confidential is attached as Exhibit G. The Special Release of Claims agreement is attached as Exhibit C to the Smile Source Franchise Agreement.

ITEM 23

RECEIPTS

At the end of this disclosure document are two detachable pages acknowledging your receipt of the disclosure document. You keep one copy and return the other to Smile Source.

EXHIBIT A

LIST OF STATE FRANCHISE LAW ADMINISTRATORS

CALIFORNIA

Commissioner of Business Oversight
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500
(866) 275-2677

HAWAII

Commissioner of Securities
Department of Commerce & Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Chief
Franchise Bureau
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-1090

INDIANA

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

MARYLAND

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

MICHIGAN

Franchise Administrator
Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
(517) 373-7117

MINNESOTA

Commissioner of Commerce
Minnesota Department of Commerce
85 Seventh Place East, Suite 500
St. Paul, Minnesota 55101
(651) 296-4026

NEW YORK

Assistant Attorney General
Bureau of Investor Protection and Securities
New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
(212) 416-8211

NORTH DAKOTA

Franchise Examiner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor, Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

RHODE ISLAND

Director of Business Regulation
Securities Division
John O. Pastore Complex
1511 Pontiac Avenue, Building 69-1
Cranston, Rhode Island 02920
(401) 462-9587

SOUTH DAKOTA

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

VIRGINIA

Chief Examiner
State Corporation Commission
1300 E. Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

Director of
Department of Financial Institutions
Securities Division
150 Israel Rd SW
Tumwater, Washington 98501
(360) 902-8760

WISCONSIN

Franchise Administrator
Securities and Franchise Registration
Wisconsin Securities Commission
345 W. Washington Ave., 4th Floor
Madison, Wisconsin 53703
(608) 266-8557

EXHIBIT B

LIST OF AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

Commissioner of Business Oversight
1515 K Street, Suite 200
Sacramento, California 95814

HAWAII

Commissioner of Securities
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Illinois Attorney General Office
500 South Second Street
Springfield, Illinois 62706

INDIANA

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

MARYLAND

Maryland Securities Commissioner
200 Saint Paul Place
Baltimore, Maryland 21202-2020

MINNESOTA

Commissioner of Commerce
State of Minnesota
Department of Commerce
Registration Division
85 Seventh Place East
St. Paul, Minnesota 55101

NEW YORK

Secretary of State of New York
41 State Street
Albany, New York 11231

NORTH DAKOTA

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor, Dept. 414
Bismarck, North Dakota 58505-0510

RHODE ISLAND

Director of Business Regulation
Securities Division
John O. Pastore Complex
1511 Pontiac Avenue, Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

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

VIRGINIA

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

WASHINGTON

Director of
Department of Financial Institutions
Securities Division
150 Israel Rd SW
Tumwater, Washington 98501

WISCONSIN

Commissioner of Securities
Office of Commissioner of Securities
345 W. Washington Ave., 4th Floor
Madison, Wisconsin 53703

Smile Source L.P.

Auditor's Report and Consolidated Financial Statements

December 31, 2014 and 2013



Smile Source L.P.
December 31, 2014 and 2013

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Independent Auditor's Report

General Partner
Smile Source L.P.
Houston, Texas

We have audited the accompanying consolidated financial statements of Smile Source L.P. and its subsidiary, which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of operations, partners' deficit and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

General Partner
Smile Source L.P.
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Smile Source L.P. and its subsidiary as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Houston, Texas
April 7, 2015

Smile Source L.P.
Consolidated Balance Sheets
December 31, 2014 and 2013

	2014	2013
Assets		
Current Assets		
Cash	\$ 22,747	\$ 48,982
Accounts receivable, net of allowance 2014 - \$40,127; 2013 - \$50,562	420,442	232,642
Prepaid expenses	22,051	31,690
Notes receivable from related party	6,550	-
Total current assets	471,790	313,314
Property and Equipment		
Website developments	66,982	66,982
Office equipment	16,658	15,871
	83,640	82,853
Less accumulated depreciation	48,763	23,396
Property and equipment, net	34,877	59,457
Total assets	\$ 506,667	\$ 372,771
Liabilities and Partners' Deficit		
Current Liabilities		
Checks written in advance of deposits	\$ 20,506	\$ -
Accounts payable	94,258	53,313
Accrued expenses	279,805	189,270
Deferred revenue	74,219	2,000
Total current liabilities	468,788	244,583
Due to Parent and Affiliated Entities	4,080,246	3,028,577
Total liabilities	4,549,034	3,273,160
Partners' Deficit		
Partners' capital	233,491	147,494
Retained deficit	(4,275,858)	(3,047,883)
Total partners' deficit	(4,042,367)	(2,900,389)
Total liabilities and partners' deficit	\$ 506,667	\$ 372,771

Smile Source L.P.
Consolidated Statements of Operations
Years Ended December 31, 2014 and 2013

	2014	2013
Revenue		
Franchise royalty fees	\$ 1,357,611	\$ 694,076
Vendor revenues	51,769	14,250
National meeting revenue	118,897	29,500
	<u>1,528,277</u>	<u>737,826</u>
Cost of Operations		
Salaries and wages	1,769,900	1,027,363
Travel expense	314,077	281,349
Professional fees	216,740	89,962
Advertising	29,434	65,031
Bad debt expense (recoveries)	(5,752)	130,433
Administrator expenses	192,687	100,852
Other	239,166	186,537
	<u>2,756,252</u>	<u>1,881,527</u>
Net Loss	<u><u>\$ (1,227,975)</u></u>	<u><u>\$ (1,143,701)</u></u>

Smile Source L.P.
Consolidated Statements of Partners' Deficit
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Partners' Deficit, January 1	\$ (2,900,389)	\$ (1,806,595)
Stock-based compensation	85,997	49,907
Net loss	<u>(1,227,975)</u>	<u>(1,143,701)</u>
Partners' Deficit, December 31	<u><u>\$ (4,042,367)</u></u>	<u><u>\$ (2,900,389)</u></u>

Smile Source L.P.
Consolidated Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Activities		
Net loss	\$ (1,227,975)	\$ (1,143,701)
Items not requiring cash:		
Depreciation and amortization	25,367	19,739
Stock-based compensation expense	85,997	49,907
Changes in operating assets and liabilities:		
Accounts and notes receivable	(194,350)	(97,370)
Prepaid expenses	9,639	(26,690)
Accounts payable	40,945	(7,091)
Accrued expenses	90,535	124,102
Deferred revenue	72,219	(17,777)
Net cash used in operating activities	<u>(1,097,623)</u>	<u>(1,098,881)</u>
Investing Activity		
Purchase of property and equipment	<u>(787)</u>	<u>(65,416)</u>
Net cash used in investing activity	<u>(787)</u>	<u>(65,416)</u>
Financing Activities		
Checks written in advance of deposits	20,506	-
Advances provided by affiliates	<u>1,051,669</u>	<u>1,175,817</u>
Net cash provided by financing activities	<u>1,072,175</u>	<u>1,175,817</u>
Increase (Decrease) in Cash	(26,235)	11,520
Cash, Beginning of Year	<u>48,982</u>	<u>37,462</u>
Cash, End of Year	<u><u>\$ 22,747</u></u>	<u><u>\$ 48,982</u></u>

Smile Source L.P.
Notes to Consolidated Financial Statements
December 31, 2014 and 2013

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Smile Source L.P., a Texas limited partnership (the Company), and its wholly owned subsidiary, Smile Source Marketing, Inc., a Texas Corporation (SS Marketing), were formed in 2006. SSH Corporation, a Delaware corporation (SSH), holds the 100 percent limited partner interests in the Company. Smile Source Management L.L.C., a Texas limited liability company, is the general partner in the Company.

The Company licenses the right to use the Smile Source trademark in the course of business and currently has franchised operations in twenty-nine states and records revenue from franchise fees received in accordance with the franchises agreement with members. These franchise royalty fees are based on a percentage of each individual franchisee's gross sales, with percentages varying based on location.

The Company is currently dependent on support from Vision Source L.P. and affiliates to conduct its operations. Under a support agreement, Vision Source L.P. is committed to supporting the capital resource and liquidity needs of the Company through at least January 1, 2016, and will not require repayment of any amounts due from the Company through at least January 1, 2016. See further discussion at Note 2.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, SS Marketing. All significant intercompany accounts and transactions have been eliminated in consolidation.

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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

At December 31, 2014 and 2013, the Company's cash accounts did not exceed federally insured limits.

Smile Source L.P.
Notes to Consolidated Financial Statements
December 31, 2014 and 2013

Accounts Receivable

Accounts receivable are based upon contracted prices and stated net of an allowance for doubtful accounts. The Company provides an allowance for doubtful collections based upon a review of outstanding receivables, historical collection information and existing economic conditions. Royalty reporting and payments are due 45 days after the close of the month. Accounts past due more than 60 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Property and Equipment

Property and equipment acquisitions are stated at cost less accumulated depreciation. Depreciation is charged to expense on the straight-line basis over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Website developments	3-15 years
Office equipment	3-5 years

Income Taxes

The Company is not directly subject to income taxes under the provisions of the Internal Revenue Code and applicable state laws. Therefore, taxable income or loss is reported to the individual partners for inclusion in their respective tax returns and no provision for federal and state income taxes has been included in the accompanying consolidated financial statements. With a few exceptions, the Company is no longer subject to U.S. Federal, state, and local or non-U.S. income tax examinations by tax authorities for years before 2010.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an agreement exists, services are rendered and collectability is reasonably assured. The Company grants the right to participate in Smile Source programs, benefits and trademarks in the course of business, and generates revenue through franchise agreements. The Company receives a fee from franchise members based on a percentage of the franchisees' monthly gross receipts pursuant to the respective franchise agreements.

Stock Option Plan

At December 31, 2014 and 2013, the Company has a share-based employee compensation plan, which is described more fully in Note 4.

Smile Source L.P.
Notes to Consolidated Financial Statements
December 31, 2014 and 2013

Reclassifications

Certain reclassifications have been made to the 2013 consolidated financial statements to conform to the 2014 consolidated financial statement presentation. These reclassifications had no effect on net loss.

Note 2: Support From Related Entity

SSH entered into a Joinder Agreement with the lenders of Vision Source L.P. and VSH Corporation (VSH), whereby SSH becomes party to their Credit Agreement, as amended. The Joinder Agreement allows Vision Source L.P. to continue to provide intercompany loans and advances to support the operations of SSH and its subsidiaries. At December 31, 2014 and 2013, Vision Source L.P. has \$5,000,000 available to borrow under its revolving credit facility. At December 31, 2014 and 2013, the Company has a liability of \$4,082,873 and \$3,002,547, respectively, related to advances made by Vision Source L.P. to fund operations.

Note 3: Income Taxes

The Company was formed as a partnership and is a disregarded entity for tax purposes; therefore, the Company is included in the consolidated corporate return of SSH Corporation (the Company's parent) as of December 31, 2014 and 2013, respectively. The Company does not allocate taxes to this disregarded entity as there is no tax-sharing agreement between the Company and its parent, no dividends have been paid by the Company to its parent for tax reimbursements and the Company has no present intention to enter into a tax-sharing arrangement or distribute dividends to its parent for tax reimbursements. If the Company were allocated income taxes attributable to its operations, the Company would be in a net operating loss position, due to the net loss for the years ended December 31, 2014 and 2013.

SS Marketing is a Corporation for federal income tax purposes and is subject to both federal and state income taxes. For the years ended December 31, 2014 and 2013, there was no net income or loss generated by SS Marketing and no material timing differences exist between the accumulated net income for reporting purposes and federal and state purposes.

Note 4: Stock-based Compensation

Stock Option Plan

Certain employees of the Company have been granted stock-based compensation awards under the VSH Corporation Long-Term Incentive Plan (VSH Plan) and the SSH Corporation 2011 Long-Term Incentive Plan (SSH Plan). The VSH Plan and SSH Plan provides for the granting of

Smile Source L.P.
Notes to Consolidated Financial Statements
December 31, 2014 and 2013

nonqualified stock options. Shares covered by an award are counted as used only to the extent that they are actually issued. Any shares related to awards that terminate by expiration, forfeiture, cancellation or otherwise, without the issuance of such shares, will be available for grant under the stock-based compensation plans. The Company utilizes both service condition and market condition forms of stock-based compensation. The SSH Plan permits the grant of share options and shares to its employees for up to 5,147 shares of common stock of SSH.

The Company recognizes stock-based compensation expense for the VSH Plan and SSH Plan in salaries and wages expense in the consolidated statements of operations for employees granted awards. The cumulative stock-based compensation expense recognized under the plans through December 31, 2014 and 2013, is \$233,491 and \$147,494, respectively.

Service Condition Options

The fair value of the service condition stock options is estimated on the grant date using a Black-Scholes simulation option-pricing model based on assumptions made by management. As the Company has limited exercise history, the expected term was estimated utilizing the simplified method in accordance with the accounting guidance for share-based payments. Volatility was estimated based on the historical volatility of similar publicly traded companies over the relevant period. The risk-free rate for periods with the contractual term of the stock option is based on the United States Treasury yield curve in effect at the time of the grant. The Company assumed no dividends as the Company has no history of paying dividends.

The Company grants service condition stock options to certain employees, 75 percent of which vest ratably over 4 years. The remaining 25 percent of the service condition stock options vest upon the earlier of the 12-month anniversary of a change in control or the six-year anniversary of the grant date. The service condition stock options have a ten-year contractual period. The following table presents the assumptions used by management:

	2014	2013
Risk-free interest rate (7-10 years)	2.00%	2.45%
Stock price volatility	33.90%	53.23%
Expected term (in years)	6.40	6.69
Expected dividends	0.00%	0.00%

Smile Source L.P.
Notes to Consolidated Financial Statements
December 31, 2014 and 2013

Service condition stock option activity for 2014 and 2013 is as follows:

	Shares	Weighted- average Exercise Price	Weighted- average Remaining Contractual Term (Years)
Outstanding, January 1, 2013	1,728	\$ 101	10
Granted	1,713	114	10
Exercised	(22)	100	8
Forfeited or expired	<u>(377)</u>	100	8
Outstanding, December 31, 2013	3,042	108	10
Granted	349	147	9
Exercised	(34)	100	9
Forfeited or expired	<u>(198)</u>	100	9
Outstanding, December 31, 2014	<u><u>3,159</u></u>	113	10
Exercisable, December 31, 2014	<u><u>866</u></u>	103	9

The weighted average grant date fair value of the service condition stock options granted during the years ended December 31, 2014 and 2013, was \$449.45 and \$40.00, respectively.

A summary of the status of the Company's non-vested shares as of December 31, 2014 and 2013, and changes during the years then ended, is presented below:

	Shares	Weighted- average Grant-date Fair Value
Non-vested, January 1, 2013	1,728	\$ 38.20
Granted	1,713	40.00
Vested	(295)	38.20
Forfeited	<u>(377)</u>	38.20
Non-vested, December 31, 2013	2,769	39.31
Granted	349	449.95
Vested	(627)	39.12
Forfeited	<u>(198)</u>	38.20
Non-vested, December 31, 2014	<u><u>2,293</u></u>	101.96

Smile Source L.P.
Notes to Consolidated Financial Statements
December 31, 2014 and 2013

As of December 31, 2014 and 2013, there was \$209,013 and \$123,315, respectively, of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the Service Condition Options. That cost is expected to be recognized over a weighted-average period of 6.40 years. The total fair value of shares vested during the years ended December 31, 2014 and 2013, was \$21,573 and \$12,376, respectively.

Market Condition Stock Options

The fair value of the market condition stock options is estimated on the grant date using a Monte Carlo simulation option-pricing model based on assumptions made by management. The market condition stock options vest on a graduated scale based on the achievement of shareholder return for Brazos Equity Fund III, L.P., of 200 percent (yielding 50 percent vesting) and 250 percent (yielding 100 percent vesting) coupled with a time-based element of 75 percent at a change in control with an additional 25 percent at the earlier of the 12-month anniversary of a change in control or the six-year anniversary of the grant date. The market condition stock options have a ten-year contractual term. The Monte Carlo simulation model utilizes multiple input variables that determine the probability of satisfying the market conditions stipulated in the award and calculates that fair value of each market condition stock option. The Company used the following assumptions in determining value of each market condition stock options. The risk-free interest rates for the option are based on the U.S. Treasury yield curve in effect at the time of grant, consistent with the options' contractual life of ten years. Daily stock price data for certain publicly traded companies are used to estimate the expected volatility of the Company's stock price over the ten-year contractual life of the options. The Company has not declared any dividends in the past and does not expect to do so in the foreseeable future. The assumptions represent management's best estimate, but they are highly subjective and inherently uncertain. If management had made different assumptions, the calculation of the options' fair value and the resulting stock-based compensation expense could differ, perhaps materially, from the amount recognized in the consolidated financial statements. The following table presents the assumptions used by management:

	2014	2013
Risk-free interest rate (7-10 years)	0.90%	2.45%
Stock price volatility	33.60%	53.23%
Expected term (in years)	6.40	6.69
Expected dividends	0.00%	0.00%

Market condition stock options activity for 2014 and 2013 is as shown on the following page.

Smile Source L.P.
Notes to Consolidated Financial Statements
December 31, 2014 and 2013

	Shares	Weighted- average Exercise Price	Weighted- average Remaining Contractual Term (Years)
Outstanding, January 1, 2013	866	\$ 100	10
Granted	860	120	10
Exercised	-	-	-
Forfeited or expired	<u>(316)</u>	100	8
Outstanding, December 31, 2013	1,410	112	10
Granted	144	153	9
Exercised	-	-	-
Forfeited or expired	<u>(196)</u>	100	9
Outstanding, December 31, 2014	<u><u>1,358</u></u>	118	11
Exercisable, December 31, 2014	<u><u>0</u></u>	-	0

The weighted-average grant-date fair value of options granted during the years ended December 31, 2014 and 2013, was \$444.55 and \$11.00, respectively.

As of December 31, 2014 and 2013, there was \$67,255 and \$11,567, respectively, of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the Market Condition Options. That cost is expected to be recognized over a weighted-average period of 6.40 years.

Note 5: Related-party Transactions

Vision Source L.P. provides certain services for accounting, legal and information technology for the Company. Vision Source L.P. assesses a fee for these services. The total fee for these services for the years ended December 31, 2014 and 2013, was approximately \$96,000 and \$35,000, respectively.

Note 6: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the consolidated financial statements were available to be issued.

Smile Source Marketing, Inc.
Independent Auditor's Report and Financial Statements
December 31, 2015



Smile Source Marketing, Inc.
December 31, 2015

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Independent Auditor's Report

Stockholder
Smile Source Marketing, Inc.
Kingwood, Texas

We have audited the accompanying financial statements of Smile Source Marketing, Inc., which comprise the balance sheet as of December 31, 2015 and the related statements of income, stockholder's equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditor's Responsibility

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.

Stockholder
Smile Source Marketing, Inc.
Page 2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Smile Source Marketing, Inc., as of December 31, 2015, 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.

BKD, LLP

Houston, Texas
March 31, 2016

Smile Source Marketing, Inc.

Balance Sheet December 31, 2015

Assets

Cash	\$	19,917
Other		<u>860</u>
Total assets	\$	<u><u>20,777</u></u>

Liabilities and Stockholder's Equity

Liabilities	\$	<u>-</u>
-------------	----	----------

Stockholder's Equity

Capital stock, \$1.00 par value; authorized 1,000,000 shares, issued and outstanding 1,000 shares		1,000
Retained earnings		<u>19,777</u>
Total stockholder's equity		<u>20,777</u>
Total liabilities and stockholder's equity	\$	<u><u>20,777</u></u>

Smile Source Marketing, Inc.

Statement of Income

Year Ended December 31, 2015

Revenue - Marketing Group Fees	\$ -
Cost of Operations	<u>-</u>
Net Income	<u><u>\$ 0</u></u>

Smile Source Marketing, Inc.
Statement of Stockholder's Equity
Year Ended December 31, 2015

Stockholder's Equity, January 1	\$ 19,777
Net income	<u>-</u>
Stockholder's Equity, December 31	<u><u>\$ 19,777</u></u>

Smile Source Marketing, Inc.
Statement of Cash Flows
Year Ended December 31, 2015

Operating Activities

Net income	\$ -
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Net cash provided by operating activities	<u>0</u>
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Increase in Cash	-
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Cash, Beginning of Year	<u>19,777</u>
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Cash, End of Year	<u><u>\$ 19,777</u></u>
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Smile Source Marketing, Inc.

Notes to Financial Statements

December 31, 2015

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Smile Source Marketing, Inc., a Texas Corporation (the Company), was formed in 2006, and is owned 100 percent by Smile Source L.P. (the Parent). SSH Corporation, a Delaware Corporation (SSH), owns 100 percent of the limited partnership interest of the Parent.

The Company is engaged in developing marketing and advertising programs on behalf of the Parent's franchisee marketing groups who elect to participate.

The Parent provides certain services for accounting, legal and information technology for the Company. There is no overhead allocated or charged by the Parent for these services.

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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company receives from the Parent's franchisees, who elect, a fee as stipulated in a marketing agreement. The Company utilizes the fees to fund marketing and advertising programs on behalf of the franchise marketing groups. The Company recognizes revenues for such fees once it has incurred a third-party liability to pay for advertising or marketing costs. Excess fees received or receivable are recorded as deferred revenue and the Company returns excess funds to the marketing groups not expended within the specific period agreed to with the marketing groups.

Note 2: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Smile Source Marketing, Inc.

Independent Auditor's Report and Financial Statement

March 31, 2016



Smile Source Marketing, Inc.
March 31, 2016

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Independent Auditor's Report

Stockholder
Smile Source Marketing, Inc.
Kingwood, Texas

We have audited the accompanying balance sheet of Smile Source Marketing, Inc. as of March 31, 2016, and the related notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this balance sheet 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 the balance sheet that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this balance sheet 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 balance sheet is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the balance sheet. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the balance sheet, 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 balance sheet 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 balance sheet.

Stockholder
Smile Source Marketing, Inc.
Page 2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Smile Source Marketing, Inc. as of March 31, 2016, in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Houston, Texas
April 1, 2016

Smile Source Marketing, Inc.

Balance Sheet

March 31, 2016

Assets

Cash	\$	219,917
Other		<u>860</u>
Total assets	\$	<u><u>220,777</u></u>

Liabilities and Stockholder's Equity

Liabilities	\$	<u>-</u>
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Stockholder's Equity

Capital stock, \$1.00 par value; authorized 1,000,000 shares, issued and outstanding 1,000 shares		1,000
Additional paid-in capital		200,000
Retained earnings		<u>19,777</u>

Total stockholder's equity		<u>220,777</u>
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Total liabilities and stockholder's equity	\$	<u><u>220,777</u></u>
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Smile Source Marketing, Inc.

Notes to Financial Statement

March 31, 2016

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Smile Source Marketing, Inc., a Texas Corporation (the Company), was formed in 2006, and is owned 100 percent by Smile Source L.P. (the Parent). SSH Corporation, a Delaware Corporation (SSH), owns 100 percent of the limited partnership interest of the Parent.

The Company is engaged in developing marketing and advertising programs on behalf of the Parent's franchisee marketing groups who elect to participate.

The Parent provides certain services for accounting, legal and information technology for the Company. There is no overhead allocated or charged by the Parent for these services.

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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statement was available to be issued.

GUARANTEE OF PERFORMANCE

For value received, Smile Source Marketing, Inc., a Texas corporation (the "Guarantor"), located at 23824 Highway 59 North, Kingwood, Texas 77339, absolutely and unconditionally guarantees to assume the duties and obligations of Smile Source L.P., located at 23824 Highway 59 North, Kingwood, Texas 77339 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2016 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Kingwood, Texas on the 6th day of April, 2016.

GUARANTOR:

Smile Source Marketing, Inc.,
a Texas Corporation

By: 
Name: Curtis J. Domingue, Jr.
Title: General Counsel (Contracted)
Date Executed: April 6, 2016



FRANCHISE AGREEMENT

BETWEEN

SMILE SOURCE L.P.

AND

«COMP LEGAL NAME»

DBA: «DBA NAME»

«COMP ADDRESS L1», «COMP ADDRESS L2»

«COMP CITY», «COMP ST» «COMP ZIP»

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FRANCHISE AGREEMENT

This Franchise Agreement (“Agreement”) is made and entered into by and between Smile Source L.P. a Texas limited partnership (“Franchisor”), and «Comp Legal Name», (“Franchisee”), a «St of Incorp» «Corp Type», doing business as «DBA Name», whose mailing address is «Comp Mail Address L1», «Comp Mail Address L2», «Comp Mail City», «Comp Mail ST» «Comp Mail Zip», and whose Federal Employer Identification Number is «Tax ID».

RECITALS

A. Franchisor desires to promote the independent practice of dentistry through a network of independently owned and operated dental care offices (“Network”).

B. Franchisor, as a result of the expenditure of time, skill, effort and money, has developed a distinctive method (“System”) of facilitating the exchange of information on best practices among independent dentists and dental industry experts regarding the management, operation, and promotion of a dental care office, and arranging for pricing concessions and/or discounts from vendors supplying dental and other products based on the buying power of the Network.

C. Franchisor has acquired exclusive rights in various service marks, trademarks, symbols, slogans, emblems, logos indicia, designs, and other distinguishing characteristics that may promote the members of the SMILE SOURCE® Network (individually a “Name” and “Mark” and collectively the “Names and Marks”), including, among others, the Mark SMILE SOURCE®, added to the principal register of the United States Patent and Trademark Office, registration number 3839406, in international class 44 on August 24, 2010.

D. Franchisee would like to select from the benefits and programs available to the Network as part of the System and to use certain designated Names and Marks to promote Franchisee’s practice as an independently owned and operated practice under the SMILE SOURCE® Name, to the extent allowed under State laws and regulations, or if not permitted by State laws and regulations to operate under the SMILE SOURCE® Name, to operate as a “Member of the SMILE SOURCE® Network.”

E. Franchisee understands and acknowledges the importance of high standards of quality, appearance and service in a dental care office and the necessity of operating Franchisee’s office in a manner which enhances the goodwill associated with the Names and Marks.

NOW, THEREFORE, the parties, in consideration of the above and the mutual covenants and agreements contained in this Agreement, the receipt and sufficiency of which are acknowledged as valuable consideration by the parties to this Agreement, Franchisor and Franchisee mutually agree:

ARTICLE 1. ISSUANCE OF FRANCHISE

1.01 Grant of Franchise. Franchisor grants to Franchisee a franchise to use the specified Names and Marks and to participate in the programs and benefits available to the Network in the management and operation of Franchisee’s independently owned and operated dental care office (“Office”), subject to the terms and conditions of this Agreement, at a single location (“Designated Location”) described in Section 1.04. To the extent allowed by State laws and regulations, Franchisee agrees to operate the Office at the Designated Location under the SMILE SOURCE® Name, or if not permitted by State laws and regulations to operate under the SMILE SOURCE® Name, to operate as a “Member of the SMILE SOURCE® Network,” as provided in Section 5.09.

1.02 Option for Additional Franchised Location(s). If this is Franchisee’s first franchise with Franchisor, Franchisor grants to Franchisee (or an affiliate of Franchisee controlled and operated by the same Owners as those of Franchisee), a nontransferable option to enter into a franchise agreement for two

(2) additional dental offices, under Franchisor's then current form of franchise agreement, modified to provide that the required royalty will be the same as that specified under this Agreement. This option may be exercised only when Franchisee is not in default of this Agreement or any other agreement between Franchisee and Franchisor or its subsidiaries and affiliates. The additional dental office(s) may be located inside or outside the Territory granted in this Agreement, subject to Franchisor's prior written approval, and Franchisor's approval of the location(s) will be in the same manner as for a change in the Designated Location, as provided in Section 1.04. For this Agreement, "controlled" means that fifty percent (50%) or more of the beneficial ownership interest in the additional dental office is the same as that of the Franchisee and "Owner" and "Owners" mean the shareholder(s), member(s), general partner(s), limited partner(s) or anyone else who owns an equity interest in Franchisee.

1.03 Territory. Franchisee expressly agrees this franchise relates solely to one Designated Location within the geographic territory ("Territory") specified in Exhibit A to this Agreement and that granting this franchise is expressly subject to all conditions and limitations in this Agreement. Provided Franchisee is not in default of the terms and conditions of this Agreement after written notice and beyond any applicable cure period in Article 9 and except as otherwise provided in this Agreement, Franchisor will not establish, nor franchise anyone other than Franchisee to establish a dental care office, providing general dentistry services, using the System under the Names and Marks in the Territory without the written consent of Franchisee. However, if Franchisee defaults in the terms and conditions in this Agreement and the default continues after written notice from Franchisor and beyond any applicable cure period in Article 9, and Franchisor elects not to terminate this Agreement, then, during the remainder of the Initial Term and any renewal terms, Franchisor will not be prohibited from (i) establishing or franchising other franchisees to establish a dental care office, providing general dentistry services, using the System under the Names and Marks in the Territory, and (ii) granting associate memberships in the Territory, even if the default is subsequently cured. Franchisor will not be prohibited from establishing or franchising other franchisees to establish a dental care office using the System under the Names and Marks in the Territory, and (ii) granting associate memberships in the Territory, upon the expiration of the Initial Term or any renewal terms, even if Franchisor accepts a Royalty payment from Franchisee after the term of this Agreement has expired and even if Franchisor has not announced the termination of this Agreement to the suppliers in the Cooperative Buying Program described in Section 6.01.

Franchisor retains the right to grant franchises to an affiliate of Franchisor or to others to use the System under the Name and Marks in dental care offices anywhere outside the Territory. Franchisor also retains the right to grant franchises to dental specialists (oral surgeons, endodontists, orthodontists, pedodontists, periodontists, prosthodontists and other certified or accredited dental specialists) to use the System under the Name and Marks in dental care offices anywhere inside the Territory. Franchisor and its affiliates each retain the right to establish franchise networks and grant franchises, under other names and marks, inside or outside the Territory, and grant associate memberships in the Network outside the Territory and, with the prior written consent of Franchisee, inside the Territory.

Franchisor, other franchisees of the SMILE SOURCE® Network and associate members of the Network may conduct general advertising, direct and indirect sales, marketing and promotional programs anywhere within the Territory, as permitted by state law.

1.04 Sole Designated Location; Relocation. The Designated Location will be at: «*Comp Address L1*», «*Comp Address L2*», «*Comp City*», «*Comp County*» County, «*Comp ST*» «*Comp Zip*».

Before Franchisee may change the location of its franchised Office, the address of a new Designated Location must be designated in writing and approved by Franchisor. Franchisor will not withhold its consent to relocation within the Territory unless it believes, in its sole discretion, that the proposed new location might have an unreasonably adverse effect on another current or prospective

SMILE SOURCE® franchisee or damage the goodwill associated with the Names and Marks. Franchisor's consent to any change, whether inside or outside the Territory, may be conditioned upon Franchisee entering into an amendment to modify the Territory. Franchisor will consider an amendment to the Territory to allow relocation outside the original Territory only if, in the Franchisor's sole discretion: (a) the amended Territory does not extend into another current or prospective franchisee's Territory or Franchisor obtains the other current or prospective franchisee's prior written consent and (b) amending the Territory would not interfere with any pending grant of a franchise to another dentist. Any amendment must be signed by Franchisor and Franchisee. If Franchisee changes the location of its franchised Office without obtaining Franchisor's prior written consent, Franchisor may: (i) terminate this Agreement as provided in Article 9 or (ii) modify the Territory by written notice to Franchisee.

ARTICLE 2. RELATIONSHIP BETWEEN FRANCHISOR AND FRANCHISEE

2.01 Independent Entity. Franchisee is an independent contractor, and except as expressly provided for in this Agreement, is solely responsible for the direction and control of the Office and operations. Franchisee may not make any contract, warranty or representation which creates or tends to create any obligation for Franchisor or its affiliates or which creates an agency (actual or apparent), employment or partnership relationship, or to act for Franchisor or its affiliates. In all dealings with third parties including, without limitation, employees, suppliers, patients and customers, Franchisee will disclose in a manner acceptable to Franchisor that Franchisee is an independent entity operating the Office under a franchise granted by Franchisor. Nothing in this Agreement is intended by the parties to create a fiduciary relationship between them nor to constitute Franchisee as an agent, legal representative, subsidiary, joint venturer, partner, co-owner, tenant, employee or servant of Franchisor for any purpose. Franchisor may act as an agent for Franchisee in certain circumstances, including, but not limited to Franchisor's negotiation of pricing terms of goods and services offered to Franchisee under the Cooperative Buying Program.

2.02 Practice of Dentistry. Franchisee and the Owner(s) are responsible for all business and management decisions regarding the Franchisee's Office. Franchisor may not interfere with Franchisee's or any Owner's professional judgment in any manner. Franchisor may not assert any ownership in Franchisee's dental practice, patient medical records or medical equipment. Franchisee and the Owner(s) will be fully responsible for all aspects of Franchisee's dental practice, including the selection of employees, contractors, inventory and medical equipment, coding and billing procedures, decisions regarding any patient's need for referral to other health care practitioners, and Franchisee's hours of practice.

ARTICLE 3. TERM AND RENEWAL

3.01 Initial Term. The initial term of this Agreement ("Initial Term") will commence on «**Start Date**» ("Start Date") and, except as otherwise provided in this Agreement, will expire at the end of the sixtieth (60th) full calendar month following the Start Date.

3.02 Renewal Option. Franchisee may renew this franchise for one or more consecutive sixty (60) month terms, unless before the end of the expiring term Franchisor has announced a decision to: (a) stop franchising; or (b) withdraw from doing business in the geographic market in which the Office is located. Franchisor may require Franchisee to satisfy any or all of the following requirements as a condition of continuing the franchise relationship for a renewal term:

3.02.1 No Default. Neither Franchisee nor any Owner or affiliate of Franchisee are in default of any provision of this Agreement or any other agreement between Franchisee or any Owner or affiliate of Franchisee and Franchisor, its subsidiaries and affiliates. Franchisee has not

been delinquent in the submission of monthly sales reports or payment of monthly Royalty fees more than once during any twelve (12) month period during the expiring term. Franchisee and its Owners and affiliates have substantially complied with all terms and conditions of all written agreements with Franchisor during the expiring term of this Agreement.

3.02.2 Payment of All Sums Due. Franchisee and its Owners and affiliates have satisfied all monetary Obligations, as defined in Section 7.09, owed to Franchisor and its parent, subsidiaries and affiliates and have timely met those Obligations throughout the expiring term.

3.02.3 Renewal Application. Franchisee has submitted a renewal application to Franchisor not less than three (3) full calendar months prior to the end of the expiring term.

3.02.4 Signing of Renewal Documents. At Franchisor's sole option, Franchisee will either: (a) sign an extension of this Agreement; or (b) within thirty (30) days after receipt of the new form of franchise agreement from Franchisor, but no sooner than fourteen (14) full calendar days after receipt of the disclosure document and no sooner than seven (7) full calendar days after receipt of the renewal franchise agreement, sign Franchisor's then-current franchise agreement with all supplemental documents in the forms attached to the franchise agreement or disclosure document. If the royalty rate stated in the then-current form of franchise agreement differs from the royalty rate under the expiring agreement, the new franchise agreement will be amended to provide that the original royalty provision remains in effect. Under either clause (a) or clause (b), each of Franchisee's Owners, as defined in Section 1.02 above and listed in Section 16.19 below, will sign the agreements Franchisor requires of Owners at that time.

3.02.5 Signing of Special Release of Claims. Franchisee and each of its Owners will sign a special release of claims, similar to the form of Exhibit C to this Agreement.

3.03 Acceptance of Payment from Holdover Franchisee. Franchisor's acceptance of a Royalty payment from Franchisee after the term of this Agreement has expired does not constitute a waiver of the conditions listed in Section 3.02 nor Franchisor's agreement to a renewal term, even if Franchisor has not announced the expiration of this Agreement to the suppliers in the Cooperative Buying Program.

ARTICLE 4. MONETARY OBLIGATIONS OF FRANCHISEE

Franchisee will make the following payments in immediately accessible funds to Franchisor:

4.01 Royalty. Beginning on the Start Date, and continuing throughout the Initial Term and any renewal term of this Agreement, Franchisee must pay, without demand, to Franchisor a monthly royalty ("Royalty") equal to two percent (2%) of the Gross Receipts (as defined in this Section) of the Office. Royalty payments are delinquent if not received in Franchisor's bank lockbox by the forty-fifth (45th) day following the last day of the calendar month for which payment is being made. Franchisee must submit a certified statement of Gross Receipts and Allowable Sales Deductions, in the form Franchisor designates, with each Royalty payment.

The term "Gross Receipts" means all amounts received by the Office, computed according to generally accepted accounting principles, minus "Allowable Sales Deductions" consisting of sales taxes and other similar taxes collected from patients or customers on the amount of sales transactions, the balance due on patients' or customers' unclaimed orders, reimbursements and price adjustments to insurance carriers and governmental agencies, cash refunds to patients or customers and money lost on returned checks.

If applicable law does not permit amounts received for dental services to be included in the calculation of Gross Receipts to compute and pay the Royalty, then the term "Gross Receipts" will not

include receipts from those services; and the Gross Receipts as calculated will be multiplied by two (2) to calculate the Royalty.

If a legal determination is made by a government authority with jurisdiction over this Agreement or by Franchisor, upon advice of counsel, that the current method of calculating the Royalty does not conform to current law, then Franchisor and Franchisee agree to negotiate in good faith an alternative fee arrangement that would conform to the law and provide equivalent economic value to the Franchisor. If the parties do not so agree within sixty (60) days after notice by Franchisor that a new agreement regarding fees is necessary, this Agreement will terminate immediately upon written notice by Franchisor to Franchisee. All post-termination obligations of the parties will remain in effect.

4.02 Late Fees and Interest on Late Payments. Any payment by Franchisee that Franchisor does not receive in the full amount, in Franchisor's bank lockbox, by the end of the 5th day following the date due, will incur a late charge of Twenty-Five Dollars (\$25.00). In addition to the late charge, any payment by Franchisee that Franchisor does not receive in the full amount, in Franchisor's bank lockbox, by the end of the 90th day following the date due, will bear interest at one percent (1%) per month or at the highest rate allowed by law on the date when payment is due, whichever is less, and interest will be charged retroactively to the due date for that payment. The date a payment is deposited in Franchisor's bank lockbox is deemed the date received, provided that any payment Franchisee tenders to Franchisor that is returned or not honored by the institution on which it is drawn will not be considered as having been received. If any payment is returned or not honored by the institution on which it is drawn, the Royalty, late charges and interest due to Franchisor will be based on the date good funds are then deposited to replace the dishonored payment. Franchisee will pay Franchisor \$35.00 for each payment Franchisee tenders to Franchisor that is returned or not honored by the institution on which it is drawn.

Franchisor charges a late charge and interest on late payments to partially compensate itself for loss of use of the funds and for internal administrative costs resulting from late payment that would otherwise be difficult to measure precisely. Franchisor's imposition of these charges is not a waiver of Franchisor's right to be paid on time.

4.03 Application of Payments. Franchisor may apply any payment Franchisee makes to Franchisor, at Franchisor's option, to any past due amounts Franchisee owes Franchisor, including late charges, interest and returned check fees, regardless of how Franchisee indicates the payment should be applied. Franchisor may deduct any past-due amounts owed by Franchisee to Franchisor, or any affiliate or subsidiary of Franchisor, from any rebates Franchisor would otherwise distribute to Franchisee under the Cooperative Buying Program. If Franchisee owes any past due amounts to Franchisor when Franchisor or any affiliate or subsidiary of Franchisor owes any amount to Franchisee, then Franchisor may pay or may cause its affiliate or subsidiary to pay those amounts to Franchisor instead of to Franchisee. Deduction of past-due amounts under the foregoing provision does not constitute a waiver of Franchisor's right to be paid on time.

4.04 Suspension of Services. If Franchisor has given Franchisee notice of a default under this Agreement, Franchisor may suspend any or all of Franchisor's services and support, including Franchisee's participation in all or any part of the Cooperative Buying Program, until Franchisee cures the default. Any suspension of services will not constitute a termination of this Agreement by Franchisor and does not constitute a waiver of Franchisor's right to be paid on time.

ARTICLE 5. OTHER OBLIGATIONS OF FRANCHISEE

In addition to the monetary Obligations of Franchisee in Article 4, Franchisee will discharge the following duties and comply with the following requirements during the term of this Agreement:

5.01 Advertising and Marketing. All advertising and promotion that Franchisee undertakes for the Office must be completely truthful, conform to the highest standard of ethical advertising and comply with any laws and regulations. Franchisee must submit to Franchisor copies of all forms of promotional and advertising materials containing the Names and Marks that Franchisee proposes to use, except materials wholly prepared by Franchisor or its affiliates, at least two weeks before the proof approval deadline. Franchisor will review the materials within a reasonable time and will promptly notify Franchisee whether Franchisor approves or rejects them. Franchisor may not withhold Franchisor's approval unreasonably. Even if Franchisor approves specified materials, Franchisor may later withdraw Franchisor's approval if Franchisor reasonably believes it is necessary to eliminate misleading or unethical features of the advertising or because the Names and Marks have changed. Franchisee is not restricted from advertising or promoting its practice without Franchisor's prior written approval if the advertising contains none of the Names and Marks, but all advertising and promotion must meet the standards stated in the first sentence of this Section.

If Franchisee desires to use any promotional and advertising material(s) developed or prepared by Franchisor or its affiliates, Franchisee may do so without obtaining Franchisor's prior approval, provided that all of Franchisor's instructions pertaining to those promotional and advertising materials are followed.

Franchisee agrees that the promotional and advertising material(s) wholly developed or prepared by Franchisor for promoting the Names and Marks and the members of the Network includes copyrighted material or other types of proprietary information ("Marketing Materials"). Franchisee understands and agrees that all Marketing Materials, in whatever form, and all copies and excerpts, will be the sole property of Franchisor, subject only to the right of Franchisee to use the Marketing Materials during the term of this Agreement.

5.02 Insurance. Franchisee must obtain and keep in effect the following insurance coverage:

(a) Professional errors and omissions insurance with an insurer and in form and substance reasonably acceptable to Franchisor, in the minimum amounts of \$1,000,000 per occurrence and \$2,000,000 annual aggregate. Franchisee must obtain that policy from an insurance company with a rating of at least "AXII" by Best & Co. or a comparable rating by another rating agency approved by Franchisor.

(b) Product liability insurance with an insurer and in form and substance reasonably acceptable to Franchisor, in the minimum amounts of \$1,000,000 per occurrence and \$2,000,000 annual aggregate.

(c) General liability insurance in the minimum amount of \$1,000,000.

Each of these insurance policies must include a provision that the policy cannot be canceled without thirty (30) days' written notice to Franchisor. It must be issued by an insurance company of recognized responsibility, designate Franchisor as an additional named insured and be satisfactory to Franchisor in form, substance, and coverage. Franchisee must deliver a certificate of the issuing insurance company evidencing each policy to Franchisor upon signing this Agreement and then when the policy is renewed or changed.

5.03 Professional Status and Requirements. Franchisee represents that the Office will offer one or both of the following dental services, (i) professional examinations to diagnose and treat routine dental conditions or (ii) professional examinations to diagnose and provide dental implants, cosmetic and orthodontic elective treatments, or any combination of such dental services. During the term of this Agreement, Franchisee will be a dentist licensed to practice within the state where the Office is located (or a professional corporation or other legal entity owned by licensed dentist(s)). To the extent required

by State law and ethical codes, Franchisee or its Owner(s) must supervise the Office.

5.04 Compliance with Laws. Franchisee will operate and conduct the Office in full compliance with all laws, ordinances, rules, regulations, codes and other requirements imposed by Federal, State, County or Municipal governments and other governmental or quasi-governmental or administrative entities. Franchisee will obtain all permits, licenses and other consents necessary for the operation of the Office. Franchisee will promptly provide to Franchisor documentation and further assurances of its compliance with those requirements as Franchisor may reasonably request from time to time. If the State Board of Dentistry or regulatory agency, or other professional State board or regulatory body, determines that any part of this Franchise Agreement may violate the State's law(s), the Franchisee is not bound by that section of this Franchise Agreement, however, Franchisor may elect to either (i) remove the section from this Franchise Agreement, (ii) modify the section(s) so it will comply with the State's law(s), or (iii) terminate this Franchise Agreement with no liability of Franchisor to Franchisee. Franchisor's election under this Section 5.04 will be by written notice to Franchisee within ninety (90) days of written notice to Franchisor from Franchisee or the government agency that one or more sections may violate State law(s). Franchisee and the guarantors of this Agreement agree to waive and release Franchisor from any and all claims, demands, charges and causes of action, arising out of any section or sections of this Franchise Agreement which may now be or may in the future become in violation of State law(s) or regulations.

5.05 Costs of Construction. Franchisee will bear the entire cost of construction and completion of the premises for the Office, including, without limitation, the cost of labor, financing, utilities, equipment, furniture, furnishings, inventory and supplies.

5.06 Maintenance. Franchisee agrees to keep the Office premises, equipment and furnishings clean and in excellent repair.

5.07 Payment of Indebtedness. Franchisee must pay promptly when due all obligations to suppliers in the Cooperative Buying Program and all taxes and obligations that Franchisee incurs in the operation of its business, including obligations to its landlord.

5.08 Financial Information and Reports. Franchisee will furnish to Franchisor financial information and reports as Franchisor may reasonably request for monitoring compliance by Franchisee with its Obligations under this Agreement. Franchisee will prepare or cause to be prepared those financial information and reports and will deliver the same to Franchisor within fifteen (15) days after receiving a request from Franchisor. The submission of financial information and reports is in addition to Franchisor's right to conduct a review under Article 12 below.

5.09 Use of Names and Marks. Franchisee agrees to use the Names and Marks in a manner that will inform the public that the Office is part of the SMILE SOURCE® Network. Franchisee may accomplish this through business procedures like answering the phone, advertising, marketing, promotional or display material, signs, stationary, office forms, and business cards. Franchisee agrees to follow any written guidelines Franchisor provides concerning the Names and Marks, including but not limited to those specified in Section 5.01. If Franchisee is prohibited by State laws and regulations from using the SMILE SOURCE® Name and the other Names and Marks at the Office, Franchisee agrees to use the statement "Member of the SMILE SOURCE® Network" in place of the Names and Marks, as provided in this Section.

5.10 Practice Outside of Designated Location. Throughout the Initial Term and any renewal term(s), Franchisee and each of the Owners of Franchisee agree they individually or collectively will not operate a separate and distinct dental office at any location inside or outside of the Territory unless Franchisee or a controlled affiliate of Franchisee has entered into a separate franchise agreement with Franchisor for the separate dental office to be part of the SMILE SOURCE® Network. If the additional

dental office is within a territory assigned to a SMILE SOURCE® franchisee, Franchisor may either (i) waive the requirement for that office to join the Network as a franchisee or associate member, or (ii) offer only an associate membership agreement for Franchisee's separate dental office and the failure of the Franchisee to accept Franchisor's offer will be a breach of this Section. If Franchisor elects to waive the requirement for Franchisee's separate dental office to join the Network, then Franchisee and/or the Owners of Franchisee may operate that separate dental office, provided that the separate dental office name and/or office address will not appear with the Names and Marks nor be in any advertisement(s) containing all or any part of the Names and Marks or on any website, stationary or other business materials used for the Office. Furthermore, Franchisee's separate dental office will not be a member of the Network and will not participate in whole or part, directly or indirectly, in any benefits available to Franchisee, other franchisees or associate members of the Network, including but not limited to any benefits available to Franchisee under any Cooperative Buying Program. If the SMILE SOURCE® franchisee agrees to share the territory for Franchisee's separate dental office or if the territory for Franchisee's separate dental office otherwise becomes available, thereafter, for assignment to Franchisee's separate dental office, then Franchisee agrees to enter into a separate franchise agreement (or at Franchisor's option, an associate membership agreement) with Franchisor for Franchisee's separate dental office to be a part of the Network. Franchisee acknowledges that failure to do so within sixty (60) days after that territory becomes available, or any other breach of this Section, will be adequate reason for Franchisor to terminate this Agreement under Section 9.01(v)(a).

ARTICLE 6. OBLIGATIONS OF FRANCHISOR

6.01 Cooperative Buying Program. Franchisor has established a cooperative buying program ("Cooperative Buying Program") with various suppliers of dental products and other products and services used in the Network. The Cooperative Buying Program provides discounts and rebates for certain purchases by Franchisee. Franchisee may participate in discounts and rebates on Franchisee's purchases through the Cooperative Buying Program beginning on the Effective Date. If Franchisee participates in the Cooperative Buying Program, Franchisee authorizes Franchisor to act as a purchasing agent for Franchisee. Vendor programs in the Cooperative Buying Program may be removed or changed and new vendor programs may be added, in the sole discretion of Franchisor. Franchisee agrees that any discounts or rebates will only be available for products and services delivered to and sold at the Office. Franchisee further agrees that any supplier may decide not to sell products or services to any franchisee and that Franchisee's participation in the Cooperative Buying Program is subject to suspension as provided in Section 4.04. Franchisor does not guaranty that Franchisee can participate in all aspects of the Cooperative Buying Program. Although Franchisor does not designate required or approved suppliers or vendors, some of the suppliers or vendors that Franchisor has developed arrangements with may pay Franchisor fees based on Franchisee's purchases in consideration of promotional and administrative services provided to the vendor by Franchisor. To meet the federal health care safe harbor, any fees paid to Franchisor by a participating vendor will not exceed five percent of the purchase price of the goods or services provided by that vendor. By participating in the Cooperative Buying Program, Franchisee consents and agrees that each of the vendors participating in the Cooperative Buying Program may disclose to Franchisor the details of vendor's transactions with Franchisee and Franchisee's Office. Franchisee agrees that all of the details and information relating to the Cooperative Buying Program and all data from Cooperative Buying Program transactions are the confidential and proprietary information of the Franchisor and are provided to the Franchisee subject to the confidentiality provisions of Section 8.06.

6.02 Consultation and Services. Beginning on the Effective Date, Franchisor will provide consultation and advice, individually or on a group basis, to Franchisee in the management and promotion of the Office. Franchisee will decide whether to follow Franchisor's advice in Franchisee's sole

discretion. This consultation and advice may be provided, at Franchisor's election, in bulletins, newsletters or other written materials, by postings on a web site, by telephone or personal consultations at the offices of Franchisor or the Designated Location, at monthly, quarterly or annual meetings of members of the Network, or by any other means that current technology makes possible. Franchisor will also facilitate the exchange of practice development ideas between the members of the Network and others whose expertise may benefit the members of the Network.

6.03 Advertising and Promotional Material. Franchisor may provide for Franchisee's use a limited amount of advertising and promotional material and services, which may include video and audiotapes, forms and templates, copy-ready print advertising materials, and miscellaneous point-of-sale items. Any of those materials may be provided in digital form. Franchisee must pay reproduction costs if it uses these materials.

6.04 Administrator. Franchisor, in its sole discretion, may employ the services of an administrator or other third party(ies) to fulfill, for Franchisor, any of the obligations of Franchisor in this Agreement.

ARTICLE 7. TRANSFER OF INTEREST BY FRANCHISEE

7.01 Transfer Prohibited. The rights and duties created by this Agreement are personal to Franchisee. Franchisor has approved Franchisee in reliance on many factors, including, but not limited to, the individual or collective character, skill, aptitude and business and financial capacity of Franchisee and the Owner(s). In granting this franchise, Franchisor requires assurance that the Office will remain an independent, privately owned dental practice. Franchisee may not pledge, hypothecate, assign, give, sell, convey or otherwise transfer (collectively, "Transfer") all or any part of its interest in this Agreement or its franchise to use the System and the Names and Marks or its membership in the Network without the prior written consent of Franchisor. The term "Transfer" also includes (i) any sale by any Owner of all or any part of that Owner's ownership interest in Franchisee or the Office, (ii) a sale by Franchisee of substantially all of the assets of the Office, and (iii) any other transaction, whether voluntary or involuntary, if the result of the transaction would be a change in control of Franchisee or in Franchisee's or any Owner's control of the Office. The term "control" means having direct or indirect power to cause direction of the daily management or policies of Franchisee or the Office. Notwithstanding the foregoing, Franchisor will approve of a Transfer to a person or entity who qualifies for a Transfer under Section 7.04 below.

7.02 Notice. Franchisee must give Franchisor written notice of any proposed Transfer at least thirty (30) days before the effective date of the proposed Transfer. The notice must include all details of the proposed terms of Transfer, including but not limited to a complete copy of the documents and information provided by Franchisee and/or the Owner(s) to the proposed transferee and a copy of the documents and information provided by the proposed transferee to Franchisee and/or the Owner(s).

7.03 Right of First Refusal. Franchisor will have the right, in its discretion, to purchase (or name a designee to purchase) the interest that is the subject of the Transfer for the same price and on the same terms in the Transfer notice. If the consideration offered by a third party includes any non-cash consideration, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash for the non-cash consideration offered by the third party, an independent appraiser will be mutually designated by Franchisor and Franchisee, and the independent appraiser's determination will be binding. If Franchisor and Franchisee cannot mutually agree on an independent appraiser, each party will select one independent appraiser and the two appraisers will then select the independent appraiser who will prepare the appraisal required by this Section and whose determination will be binding. The cost and expense of

the independent appraiser will be equally shared by the Franchisor and Franchisee. Franchisor will give written notice of its intent to exercise its right to purchase, within thirty (30) days after it receives the Transfer notice and all other information required by Section 7.02. If Franchisor exercises its right of first refusal, the closing will take place within thirty (30) days unless the parties mutually agree to a later closing date.

7.04 Advance Consent to Certain Transfers. Franchisor consents in advance to and waives its right of first refusal for the following Transfers, provided Franchisee complies with all other provisions relating to a Transfer in this Article 7 and the Transfer fully complies with all statutes, laws and ordinances of the State in which the Office is located:

- (a) if there is more than one Owner, the Transfer is from one or more Owners to one or more of the other Owners; or
- (b) the Transfer is to a licensed dentist who has been an employee of Franchisee for at least three (3) full calendar months, or to an entity wholly owned by a licensed dentist who has been an employee of Franchisee for at least three (3) full calendar months; provided, however, that the number of months that an employee has worked for Franchisee prior to the Start Date will be counted as months worked for Franchisee for this subsection (b); or
- (c) the Transfer is to the spouse of an Owner, to a person of lineal or collateral consanguinity to an Owner, to an entity wholly owned by the spouse of an Owner, or to an entity wholly owned by a person of lineal or collateral consanguinity to an Owner, provided that the transferee is otherwise qualified as a franchisee under this Agreement; or
- (d) if there is more than one Owner, the Transfer is by an Owner to another person or entity approved by the non-transferring Owner provided the Transfer is for 50% or less in ownership interest of Franchisee and the Office, and provided further this subsection (d) may be used for only one (1) Transfer; or
- (e) if Franchisee is a natural person, the Transfer by Franchisee is to a legal entity in which Franchisee owns and controls a majority interest and in which any other owners of that entity have been approved in writing by Franchisor.

7.05 Reasons for Disapproval. If Franchisor does not notify Franchisee that the Transfer is not approved within thirty (30) days after it receives the Transfer notice from Franchisee and all other information required by Section 7.02, the Transfer will be approved if the other conditions for the Transfer are met. Franchisor may disapprove a Transfer if, in its sole discretion, the proposed transferee is a person or entity which does not meet the Franchisor's then-current qualifications for new SMILE SOURCE® franchise applicants or associate membership in the Network.

7.06 Transfer Requirements. If Franchisor approves a proposed Transfer, the requirements for that Transfer are:

- (a) At Franchisor's sole option, either signing and delivery by the transferee of (i) Franchisor's then-current form of franchise agreement, which may contain terms and conditions substantially different from those in this Agreement, except regarding the payment of Royalties which will remain the same as in this Agreement, for an initial term equal to the time remaining in the term of this Agreement as of the Transfer or (ii) a written assumption of this Agreement. All applicable supplemental agreements attached to the franchise agreement or disclosure document, including personal guaranties, must be signed by the transferee or its owners, as required by the franchise agreement.
- (b) Submittal of a completed franchise application by the proposed transferee and any

other information sources requested by Franchisor that show, to Franchisor's sole satisfaction, that the proposed transferee and/or its owners meet all of Franchisor's acceptance criteria for new franchisees, including, without limitation, that the transferee meets Franchisor's managerial and business standards, possesses a good moral character, business reputation, and credit rating, and is not a competitor of Franchisor or the Network.

(c) Signing by Franchisee and all of its Owners of a special release of claims, except claims based on representations made in any disclosure document furnished to Franchisee and non-waivable statutory claims, against Franchisor and Franchisor's Owners, subsidiaries, affiliates, agents and employees in the form of Exhibit C to this Agreement.

(d) Payment of all of Franchisee's Obligations to Franchisor and Franchisor's subsidiaries and affiliates, including, but not limited to, all Royalties based on Gross Receipts through the date when the Transfer takes effect.

(e) Cure of any other defaults under this Agreement and any other agreement(s) between Franchisor or its subsidiaries and affiliates and Franchisee and its affiliates.

If Franchisee does not complete the approved Transfer within ninety (90) days after Franchisor's approval, Franchisee must once again obtain Franchisor's approval of the same or any other proposed Transfer. Any change in the Transfer notice prior to closing will be deemed a new offer, subject to the same right of first refusal by Franchisor or its designee as if it were a new offer.

7.07 Transfer Upon Death, Disability or Mental Incompetency. Transfers upon death, disability or mental incompetency will be subject to the same conditions as any other Transfer. If the heirs, legatees or personal administrator of any person who held an interest subject to the restrictions of this Article 7 fail to comply with all the requirements of this Article 7, then the executor, administrator, or personal representative of the deceased, disabled or incompetent Franchisee or Owner (provided adequate provision has been made for operation of the Office and the estate of Franchisee or Owner has assumed in writing the deceased, disabled or incompetent individual's obligations under this Agreement) will have six (6) months from receipt of notice of Franchisor's disapproval of the heirs, legatees or personal representative to dispose of the individual's interest in Franchisee or the franchised Office, subject to Section 5.04 and to all terms and conditions for Transfer in this Agreement.

7.08 No Waiver. Franchisor's approval of a Transfer subject to the restrictions of this Article 7 will not constitute a waiver of any claims it may have against the transferor, nor will it be deemed a waiver of Franchisor's right to demand full compliance with the terms of this Agreement by the transferee.

7.09 Security Interest. To secure payment of the "Obligations," as defined below, Franchisee grants Franchisor a security interest in and to all of the personal property of Franchisee, whether now owned or acquired after the Start Date and wherever it is located, including but not limited to the following (the "Collateral"):

(a) all equipment, furniture, furnishings, fixtures, merchandise, inventory, goods and other tangible personal property;

(b) all accounts, accounts receivable, other receivables, contract rights, software, chattel paper and general intangibles;

(c) all instruments, documents of title and investment property;

(d) all books, records and documents relating to any Collateral; and

(e) all accessions, additions and improvements to, and all replacements, substitutions and parts for, and all proceeds and products of, the Collateral, including proceeds of insurance.

“Obligations” means (i) all amounts Franchisee owes to Franchisor from time to time under this Agreement (including but not limited to Royalty payments and marketing fees) and under any other agreement between Franchisee and Franchisor and its subsidiaries and affiliates; and (ii) the reasonable costs and expenses that Franchisor incurs to collect or attempt to collect amounts due from Franchisee and to enforce the security interest granted above.

Under the Uniform Commercial Code as from time to time in effect in the State of «Comp ST» and any other applicable law, Franchisee authorizes Franchisor to file or record financing statements regarding the Collateral in a form and in the government offices as Franchisor reasonably determines appropriate to perfect the security interest granted under this Agreement.

Franchisee agrees to execute and deliver to Franchisor any other documents reasonably requested by Franchisor to create, maintain, perfect, or assure the priority of the security interest granted above. Franchisee appoints Franchisor as Franchisee’s agent and attorney-in-fact to execute and deliver documents and to take all other actions (to the extent permitted by law) in Franchisee’s name and on Franchisee’s behalf that Franchisor may deem necessary or advisable to create, maintain, perfect, assure the priority of, or foreclose its security interest in and lien on the Collateral. This appointment is coupled with an interest and is irrevocable as long as any of the Obligations remain outstanding.

If Franchisee defaults in the payment of any of the Obligations beyond any applicable cure period, in addition to all other rights and remedies granted to Franchisor in this Agreement and in any other instrument or agreement securing, evidencing, or relating to the Obligations or any part thereof, Franchisor will have all of the rights and remedies of a secured party under the Uniform Commercial Code as adopted by the State of «Comp ST». Franchisee will be liable for all expenses of retaking, holding, preparing for sale, or the like, and all attorneys’ fees, legal expenses, and all other costs and expenses incurred by Franchisor for the collection of the Obligations and the enforcement of Franchisor’s rights regarding the Collateral.

ARTICLE 8. PRESERVATION OF NAMES AND MARKS

8.01 Franchisor’s Title. Except for the franchise granted in this Agreement to Franchisee of the right to use the Names and Marks as provided in this Agreement, nothing in this Agreement may be construed as an assignment or grant to the Franchisee of any right, title or interest in or to the Names and Marks. Franchisee expressly acknowledges Franchisor’s rights in the Names and Marks and agrees not to contest, directly or indirectly, (i) Franchisor’s ownership, title, right, or interest in the Names and Marks; (ii) the validity of this franchise; or (iii) Franchisor’s right to register, use, or franchise others to use the Names and Marks.

8.02 Franchisee’s Use. Franchisee will use the Marks only for the operation of the Office at the Designated Location during the term of this Agreement.

8.03 Notice of Registration. Franchisee agrees that, in each instance where the Names and Marks or the words “Member of the SMILE SOURCE® Network” are used by Franchisee, that use will include the “®” symbol for statutory notice of ownership.

8.04 Quality of Services and Products. Franchisee agrees that the services and products it provides will be of high standards, style, appearance and quality as to be adequate and suited to the protection and enhancement of the Names and Marks and the Network.

8.05 Conflicts with Franchisor. Franchisee and Franchisee’s Owners agree they will not apply for any copyright, trademark or patent protection which could affect Franchisor’s ownership and/or use of the Names and Marks, nor file any document with any governmental authority or take any action which could affect Franchisor’s ownership and/or use of the Names and Marks nor will Franchisee assist anyone

else in so doing.

8.06 Confidential Information. Franchisee and Franchisee's Owners acknowledge and agree that all aspects of the System, including but not limited to all of the details and information relating to the Cooperative Buying Program, all data from Cooperative Buying Program transactions and other information, knowledge, or know-how received by Franchisee from access to the System and the Network, as provided in this Agreement, is the confidential and proprietary information ("Confidential Information") of Franchisor. Franchisee and Franchisee's Owners agree that the Confidential Information will be used only for the management and operation of the Office during the term of this Agreement and for no other purpose.

Throughout the term of this Agreement and for three (3) years following the nonrenewal, termination or Transfer of this Agreement or the Office, Franchisee and Franchisee's Owners:

(a) agree that the Confidential Information will not be used for the negotiation of special pricing and/or purchase concessions from any vendor, whether that vendor is participating in the Cooperative Buying Program or not; and

(b) will take reasonable steps to ensure all Confidential Information is kept confidential; provided, however, that during the term of this Agreement, Confidential Information may be disclosed to those Owners and employees of Franchisee who critically need to know that Confidential Information in relation to the management and operation of the Office, on the condition each the Owner or employee is informed by Franchisee of the confidential and proprietary nature of that Confidential Information and of the confidentiality undertakings of this Agreement and agrees to be bound by the terms of this Section.

Franchisee and its Owners will be responsible for any breach of this Section 8.06 by Franchisee's employees or agents. The term "reasonable steps" means the steps that Franchisee and its Owners take to protect its and their own, similar confidential and proprietary information, which will not be less than a reasonable standard of care.

8.07 Unauthorized Use by Third Parties. Franchisee must notify Franchisor immediately in writing if Franchisee learns of any unauthorized use of all or any part of Franchisor's System or the Names and Marks. Franchisee must promptly notify Franchisor in writing of any claim, demand, or suit against Franchisee or against its Owners for their use of the System or the Names and Marks. In any action or proceeding arising from or for that claim, demand, or suit, Franchisor may select legal counsel and may control the proceedings.

8.08 Change in Marks. Franchisor may change the Names and Marks and the specifications for their use upon reasonable notice to Franchisee. Franchisee must promptly conform, at Franchisee's own expense, to those changes.

ARTICLE 9. TERMINATION OF AGREEMENT

9.01 Events Permitting Termination. This Agreement may be terminated prior to the expiration of the Initial Term or any renewal term only in the following manner and for the following reasons:

- (i) Upon the mutual written agreement of Franchisor and Franchisee.
- (ii) In the Initial Term only, by Franchisee effective any day during the thirteenth (13th) full calendar month of the Initial Term; provided Franchisee gives Franchisor written notice, in the form of Exhibit D to this Agreement, that is received by Franchisor at least ninety (90) days before the effective date of that termination. However, if Franchisee fails to pay all amounts due and owing by Franchisee under this Agreement, through the effective date

of that termination, including but not limited to all Royalty fees, late fees and interest, or, if Franchisee fails to satisfy the conditions stated in the written notice in the form of Exhibit D to this Agreement, then that termination by Franchisee under this subparagraph will be null and void and this Agreement will continue throughout the remainder of the Initial Term, as otherwise provided in this Agreement.

- (iii) By Franchisee if Franchisor fails to perform any material obligation or to comply with any material requirement imposed on it by this Agreement; provided however, that Franchisee promptly gives Franchisor written notice no later than one (1) year after the occurrence of that default enumerating all alleged deficiencies and Franchisor does not cure the default within sixty (60) days after it receives the notice from Franchisee (failure to give notice will constitute a waiver of that alleged default).
- (iv) By Franchisor if Franchisee fails, refuses, or neglects (a) to pay promptly any amounts owed to Franchisor or its subsidiaries or affiliates when due, and that failure continues for fifteen (15) days after receipt of written notice from Franchisor, or (b) to submit the financial information or other reports required by Franchisor under this Agreement or by any other agreement between Franchisee and any subsidiary or affiliate of Franchisor, or makes any false statements in connection therewith, and that failure continues for fifteen (15) days after receipt of written notice from Franchisor.
- (v) By Franchisor if any of the following events occurs; provided, however, that Franchisor gives Franchisee written notice of that event setting forth the basis and Franchisee does not cure that event within sixty (60) days after it receives notice from Franchisor:
 - (a) Franchisee (except as otherwise provided in subsection (iv) of this Section) fails to perform any other obligation or comply with any other requirement imposed on it by this Agreement.
 - (b) Franchisee permits a final judgment exceeding five thousand dollars (\$5,000) to remain unsatisfied and of record for over thirty (30) days after that judgment is rendered and levied against Franchisee.
 - (c) A final judgment is entered in a suit against Franchisee to foreclose any lien or mortgage relating to any indebtedness of Franchisee entered into for the Office.
 - (d) Any loss or suspension of the dentist's professional license by any person performing services at the Office or the failure of Franchisee to secure and maintain all other licenses, permits and certificates necessary for Franchisee's operation of the Office or as otherwise required by this Agreement.
- (vi) By Franchisor (in Franchisor's sole discretion), upon written notice to Franchisee and with no cure rights, if any of the following events occur:
 - (a) Franchisee or any of the Owners, by act or omission, materially and substantially impairs (1) the goodwill associated with the business of Franchisor or its subsidiaries or affiliates or with the Name and Marks; or (2) Franchisor's rights or security interest in the Collateral.
 - (b) Franchisee or any of its Owners has any direct or indirect interest in the ownership or operation of any business confusingly similar to the System or Network or that uses all or any part of the System or the Names and Marks without written authorization from Franchisor.
 - (c) Franchisee commits a default of this Agreement and Franchisor has twice

previously given Franchisee written notice of the same type of default within the preceding twelve (12) months, whether or not Franchisee has cured the defaults.

- (d) Franchisee acts without Franchisor's prior written approval or consent regarding a matter for which this Agreement expressly requires Franchisor's prior written approval or consent.
- (e) Franchisee or any of its Owners breach the confidentiality provisions stated in Section 8.06.
- (f) Any proceeding is instituted by or against Franchisee by a court of competent jurisdiction which seeks (i) to adjudicate Franchisee a bankrupt or insolvent, (ii) the liquidation, winding up or reorganization of Franchisee under any law relating to bankruptcy, insolvency or reorganization, or (iii) the entry of an order to appoint a receiver of Franchisee, and the proceeding is not dismissed or stayed within sixty (60) days after its commencement.
- (g) Franchisee is required, under a final order of any court or governmental agency or department, to cease or materially restrict the operation of the Office due to violating any statute, ordinance, rule or regulation imposed by any governmental entity.
- (h) Franchisee has not, as of the one hundred eightieth (180th) day after the Start Date, opened the Office or Franchisee closes the Office and the Office remains closed for a period over thirty (30) days.
- (i) Franchisee or any of its Owners assign or attempt to assign any rights or delegate any duties under this Agreement without first obtaining Franchisor's prior written consent to a corresponding assignment of this Agreement or in any other manner not authorized by this Agreement.
- (j) Franchisee or any of its Owners conduct a Transfer, as defined in Article 7, without first obtaining Franchisor's written consent to that Transfer.
- (k) Any administrative, investigative, judicial or other similar action or proceeding is commenced by or with any Federal, State or local dental licensing agency or board empowered to monitor or regulate compliance with the statutes, rules, regulations and codes of professional ethics governing the dental industry against Franchisee or its licensed dental personnel, and that action or proceeding is not dismissed or stayed within sixty (60) days after its commencement.
- (l) Franchisee or any of its licensed dental personnel is convicted in a court of competent jurisdiction of an offense, substantially related to the Office, punishable by a term of imprisonment over one year; or Franchisee or any of its licensed dental personnel enters a plea of guilty or no contest to a charge it/he/she committed that offense.
- (m) Franchisee or any of its Owners (except as otherwise provided in subsection (iv) of this Section) willfully falsifies any other record or report required to be submitted to Franchisor under this Agreement or any other related Agreement or document.

9.02 Effect on Other Agreements. If Franchisee is in default of its obligations beyond any applicable cure period specified in Section 9.01 and Franchisor terminates this Agreement, Franchisor, at its option, may elect to terminate any other agreement between Franchisor (including Franchisor's subsidiaries and affiliates) and Franchisee relating to: (a) the Office and (b) any one or more other dental

office(s) and/or franchised offices of the Franchisee or subsidiaries or affiliates of Franchisee. Termination will be effective immediately upon receipt of notice by Franchisee, and Franchisee will then be obligated to comply with Article 10 regarding the terminated Office and other dental office(s).

ARTICLE 10.

OCCURRENCES UPON EXPIRATION, NON-RENEWAL OR TERMINATION

On expiration or termination of this Agreement or an approved Transfer of the Office, Franchisee and the Owners of Franchisee will promptly take the following actions:

(a) immediately and permanently cease using the System and the Names and Marks in all forms of media, including but not limited to websites and all forms of social media, and not use similar or confusingly similar trade names, trademarks, service marks, logotypes or other commercial symbols;

(b) discontinue representing itself as a franchisee of the System and the Names and Marks and a member of the Network;

(c) pay all amounts due and owing to Franchisor through the date of expiration, Transfer or termination, including but not limited to its pro rata share of accrued costs of any advertisements or promotional materials developed or placed by Franchisor or its subsidiaries or affiliates for Franchisee prior to the termination, even if it continues after the termination date;

(d) return all Confidential Information and Marketing Materials in Franchisee's actual or constructive possession received during the term of the Agreement;

(e) cease holding itself out to the public as a present or former franchisee or operator of a dental care establishment under the System and the Names and Marks, as a member of the Network, or in any way associated therewith;

(f) prevent at Franchisee's expense, the operation of any business at the location of the Office by Franchisee or others in violation of this Article 10, including, without limitation, removal of all distinctive signs and emblems, and changing of telephone directory listings;

(g) if any of the telephone numbers for the Office are listed under the Names and Marks or the Network in any white or yellow page directory or other marketing or advertisements wholly or partially paid for by a local marketing group, Franchisee may continue to use the current telephone numbers for the Office but only if Franchisee continues to timely pay to Franchisor, Franchisee's pro-rata share of those white or yellow page directory or other marketing or advertisement charges;

(h) take action to cancel any assumed names, internet domain names, email addresses or equivalent registration(s) or social media or mobile network identifiers that contain(s) all or any part of the Names and Marks or any variation or any other service mark or trademark of Franchisor, and Franchisee will furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within ten (10) days after termination or expiration of this Agreement or Transfer of this Agreement or the Office;

(i) notify every vendor and/or supplier from whom Franchisee has obtained any purchase discounts and/or price concessions in the Cooperative Buying Program and also every payer under any insurance plan or managed care program in which Franchisee participates as a contracted provider, that Franchisee is no longer a member of the Network; and

(j) if Franchisor terminates this Agreement under subparagraph (iv), (v) or (vi) of Section 9.01, or Franchisee terminates or repudiates this Agreement (except under subparagraph (ii) or (iii) of Section 9.01), Franchisee must pay Franchisor within thirty (30) days following the

date of termination, as liquidated damages (“Liquidated Damages”), an amount equal to the accrued Royalties during the immediately preceding twenty-four (24) full calendar months or the number of months remaining in the term of this Agreement at the date of termination, whichever is less. If Franchisee has been operating under this Agreement for less than twenty-four (24) months, then the amount will be the average monthly Royalty since the Start Date multiplied by twenty-four (24). Franchisee will also pay any taxes assessed on the payment. Notwithstanding the above computation, Liquidated Damages will not be less than one thousand dollars (\$1,000.00) per month. Liquidated Damages are paid in place of Franchisor’s claim for lost future Royalties under this Agreement. Franchisor’s right to receive other amounts due under this Agreement is not affected. If this Agreement is terminated because of either party’s material default, the rights described in this Section may not be the injured party’s exclusive remedies, but will instead supplement any other equitable or legal remedies available.

ARTICLE 11. INDEMNIFICATION BY FRANCHISEE

Franchisee agrees to indemnify, defend and hold harmless Franchisor, its officers, directors, shareholders, employees, agents, heirs, successors, assigns, and representatives (collectively, “Related Persons”) against any and all claims, suits, losses, judgments, damages, and liabilities, including but not limited to malpractice of Franchisee or Franchisee’s officers, directors, shareholders, or employees or the negligence of Franchisee, Franchisor, or Related Persons, including the cost of any investigation, legal, and other expenses in connection with and any amount paid in settlement of any claim, action, suit, or proceeding (collectively called “Claims”) to which Franchisor or the Related Persons may become subject, but only if those Claims:

- (a) arise out of or are based upon any facts and circumstances relating, directly or indirectly, to Franchisee’s operations and business activities, or**
- (b) arise out of or are in connection with:**
 - (i) any allegedly unauthorized use by Franchisee of the System or the Names and Marks;**
 - (ii) allegedly defective products;**
 - (iii) alleged professional errors or omissions of Franchisee or Franchisee’s officers, directors, shareholders, employees, agents or contractors; or**
 - (iv) any breach of this Agreement by Franchisee.**

This right to indemnification is in addition to any other rights or remedies available to Franchisor, including the right to sue Franchisee for a misrepresentation, breach of warranty, or breach of covenant under this Agreement. If Franchisor is made a party to a legal proceeding in connection with Franchisee’s acts or omissions, Franchisor may hire counsel to protect Franchisor’s interests and bill Franchisee for all expenses and fees Franchisor incurs. Franchisee must promptly reimburse Franchisor for those expenses and fees.

ARTICLE 12. FINANCIAL REVIEW RIGHTS

In addition to its right to request financial information under Section 5.08 above, Franchisor may review Franchisee’s books and records, including Franchisee’s tax returns and financial data stored on Franchisee’s business computer system, during normal working hours, to ensure Franchisee’s compliance with its Obligations under this Agreement. Franchisee must take all commercially reasonable steps to exclude from the review process information considered “protected health information” under the Health Insurance Portability and Accountability Act. If Franchisor determines it is not commercially reasonable

for Franchisee to exclude the protected health information, Franchisor and/or its reviewer must sign and deliver business associate agreement(s), as required by law, before conducting the review. Any review will be at Franchisor's sole cost and expense, unless the results of the review show that, during the review period, Franchisee understated its Gross Receipts by more than the lesser of thirty thousand dollars (\$30,000) or five percent (5%) of its actual Gross Receipts as revealed by the review, in which case Franchisee will, in addition to paying all delinquent Royalty fees, including interest, reimburse Franchisor for all of the costs and expenses of the review. If Franchisee fails to provide Franchisor with the requested financial information by the due date specified by Franchisor, Franchisor may send a person to the Office, during normal business hours, to inspect, review and photocopy the requested financial information and Franchisee will, in addition to paying all delinquent Royalty fees, including interest, reimburse Franchisor for all of the costs and expenses of the review. If Franchisee contests the findings by Franchisor in its review, Franchisee will hire, at Franchisee's sole cost and expense, an independent, certified public accountant acceptable to Franchisor to review Franchisee's books and records, and Franchisor agrees to be bound by that review. Franchisor further agrees that any certified public accounting firm of nationally recognized standing will be acceptable to it.

ARTICLE 13. DISPUTE RESOLUTION

13.01 Negotiation and Mediation.

13.01.1 Agreement to Use Procedures. Franchisor, Franchisee and the Owners and guarantors of the Franchisee have reached this Agreement in good faith and in the belief it is mutually advantageous to them. In the same spirit of cooperation, they pledge to resolve any dispute without litigation or arbitration. They agree that, if any dispute arises between them, before beginning any legal action or arbitration to interpret or enforce this Agreement, they will first attempt to negotiate a settlement and, if either party files a mediation proceeding, they agree to participate in the mediation. Good faith participation in these procedures to the greatest extent reasonably possible is a precondition to maintaining any legal action or arbitration to interpret or enforce this Agreement.

13.01.2 Initiation of Procedures. The party that initiates these procedures ("Initiating Party") must give written notice to the other party, describing the dispute, specifying the Initiating Party's claim for relief, and identifying one or more people with authority to settle the dispute for him, her, or it. The party receiving the notice ("Responding Party") has ten (10) days within which to designate by written notice to the Initiating Party one or more people with authority to settle the dispute on the Responding Party's behalf. These people are called the "Authorized People."

13.01.3 Direct Negotiations. The Authorized People may investigate the dispute as they consider appropriate, but agree to meet in person, by prearranged teleconference, or by video conference within fourteen (14) days from the Initiating Party's written notice to discuss resolution of the dispute. The Authorized People may meet at any times and places and as often as they agree. Each party will pay its own costs for these negotiations.

13.01.4 Mediation. If the dispute has not been resolved within thirty (30) days after the initial meeting, either party may, at its option, begin mediation procedures. Mediation will be conducted by and under the mediation rules of the American Arbitration Association ("AAA") in Harris County, Texas. Franchisor will pay the mediator's fee for the first four (4) hours of mediation. After that, the parties will equally share the costs of mediation, other than their own attorney fees.

13.02 Arbitration. Any dispute relating to this Agreement or the relationship between

Franchisor and Franchisee and the Owners, if not settled by negotiation or mediation, must be determined by arbitration under the rules for commercial arbitration of the AAA, as varied by the express provisions of this Agreement. Any issue regarding arbitrability of a claim or the enforcement of this Article will be governed by the Federal Arbitration Act and the federal common law of arbitration. Franchisor and Franchisee will designate their selection of a single neutral arbitrator, from among those suggested arbitrators identified by the AAA. If the parties have not submitted their selection of arbitrators in order of preference from among the list provided by the AAA, timely within the period designated by the AAA, the arbitrator will be appointed by the AAA. Unless otherwise agreed by the parties, all arbitration proceedings will be held in Harris County, Texas. The parties waive all objections to personal jurisdiction and venue to carry out this Article. Discovery will be to the extent permitted by the designated arbitrator. If proper notice of any hearing has been given, the arbitrator will have full power to take evidence or to perform any other acts to arbitrate the matter absent any party who fails to appear and may, if appropriate, decide the matter on documents only. The parties to this Agreement waive the making of a record, written or recorded, of any and all arbitration proceedings. An arbitration proceeding under this Agreement will be conducted on an individual (not a class-wide) basis and may not be consolidated with any other arbitration proceedings to which Franchisor is a party. The arbitrator will base his or her decision and award on the terms and conditions of this Agreement and the law, common and statutory, governing this Agreement. The award may include money damages, specific performance and injunctive relief, and legal fees and costs under this Agreement; however, the arbitrator is not empowered to award punitive, consequential or exemplary damages. Each party irrevocably waives and relinquishes any right to recover punitive, consequential or exemplary damages regarding any dispute submitted to arbitration. The arbitrator will issue a written, reasoned decision containing findings of fact and conclusions of law and explaining the manner in which any awarded damages are calculated. The arbitrator will not have authority to extend, modify or suspend any of the terms of this Agreement. A request for arbitration will not operate to stay, postpone or rescind the effectiveness of a demand for performance or a notice of termination or of non-renewal of this Agreement. The arbitrator may award interest from the date of any damages for breach or other violation of this Agreement, until paid in full, at a rate to be fixed by the arbitrator, but in no event less than 12% per annum or the maximum rate permitted by law, whichever is less. The decision and award of the arbitrator will be conclusive and binding upon all parties to the arbitration. Judgment upon any award(s) rendered by the arbitrator may be entered in any court having jurisdiction. Each party waives any objection it may have to venue in those courts, waives any claim the proceedings have been brought in an inconvenient forum, and waives the right to assert that the court does not have jurisdiction over the party. If the award is upheld by a court of competent jurisdiction in a proceeding by either party to enforce the award or to challenge the award, the party challenging the award or resisting its enforcement must pay, to the extent permitted by law, all reasonable costs, legal fees, and expenses incurred by the party defending the award or seeking its enforcement, with interest on the award from its issuance as determined by the court.

Notwithstanding the foregoing:

(a) Nothing in this Agreement will be deemed to bar Franchisor or Franchisee from seeking declaratory relief or preliminary and permanent injunctive relief in court regarding: (i) the ownership, validity, use, misuse or infringement of the Names and Marks or other intellectual property of Franchisor; (ii) actual or threatened disclosure or misuse of Confidential Information or trade secrets; or (iii) enforcement of Franchisee's post-termination obligations in Article 10.

(b) Nothing in this Agreement precludes Franchisor or Franchisee from bringing collection proceedings before the courts of any competent jurisdiction if a party is over sixty (60) days late in paying any sums due under this Agreement or any other agreement between Franchisee and Franchisor or its subsidiaries or affiliates.

(c) Franchisor, Franchisee and the guarantors consent to personal and subject matter jurisdiction and venue in the State and/or Federal Court having power and authority within or including Harris or Montgomery County, Texas. Nothing will be deemed to bar either Franchisor's or Franchisee's right to seek preliminary injunctive relief in the State and/or Federal Court having power and authority within or including Harris or Montgomery County, Texas against conduct or threatened conduct that will cause it loss or damage, pending arbitration of a covered dispute under this Section.

ARTICLE 14. NOTICES AND OTHER COMMUNICATIONS

All notices, requests or other communications required or permitted under this Agreement:

- (a) must be in writing; and
- (b) will be given and deemed to have been served if (i) delivered in person to the address set forth below for the party to whom the notice is given; or (ii) placed in the United States certified mail, postage prepaid, return receipt requested, addressed to that party at their address as set forth below (which will be deemed given on the earlier of 3 business days after being so mailed, the date of actual receipt, or the date delivery is refused); or (iii) deposited into the custody of a nationally recognized overnight courier service for overnight delivery, addressed to that party at their address set forth below (which will be deemed given on the earlier of the next business day following the deposit, the date of actual receipt, or the date delivery is refused); or (iv) telecopied or sent by other form of electronic transmission to that party, provided the sending party has received confirmation that the telecopy or electronic transmission has been successfully transmitted and, in addition, a copy of the notice is sent by one other form of delivery provided above.

The addresses and telecopier numbers of the parties are:

Franchisor: Smile Source L.P.
23824 Highway 59 North
Kingwood, Texas 77339
Telephone: (281) 359-2344
Fax: (281) 312-1153
Email: Legal@SmileSource.com

Franchisee: «Comp Legal Name»
(Franchisee's Legal Name)
«DBA Name»
(Doing Business As)
«Comp Address L1», «Comp Address L2»
(Street Address)
«Comp City», «Comp ST» «Comp Zip»
(City, State & Zip Code)
«Comp Mail Address L1», «Comp Mail Address L2»
(Mailing Address, if different)
«Comp Mail City», «Comp Mail ST» «Comp Mail Zip»
(City, State & Zip Code)
Telephone: «Comp Phone»
Fax: «Comp Fax»
Email: «Comp Email Address»

Any party hereto may change its address for notices by giving written notice of that change of address to the other party as specified in this Article 14. Notices will be deemed given when sent under this Article 14.

ARTICLE 15. ACKNOWLEDGMENTS

15.01 Independent Investigation. Franchisee acknowledges that Franchisee has conducted an independent investigation of the business franchised by this Agreement, and recognizes that the business venture contemplated by this Agreement involves business risks and its success will be dependent, in a significant part, upon the individual ability of Franchisee and/or its Owners. Franchisor expressly disclaims making, and Franchisee acknowledges that no claims of success have been made to it prior to signing this Agreement and that Franchisee has not received, any warranty or guarantee, express or implied, on the potential volume or profits of the business venture contemplated by this Agreement or on the suitability of the Designated Location for the Office; provided, however, that nothing in this or any related agreement disclaims the written representations Franchisor made in the Franchise Disclosure Document that Franchisor delivered to Franchisee. Franchisee acknowledges that Franchisor's approval of Franchisee's Designated Location and/or the Office does not constitute recommendation or endorsement of the location of the Office, nor any assurance by Franchisor that the operation of a dental care center at the Designated Location will be successful or profitable.

15.02 Receipt of Documents. Franchisee acknowledges that Franchisor or its agent has provided Franchisee with a Franchise Disclosure Document not later than the earlier of fourteen (14) calendar days before the execution of this Agreement, or fourteen (14) calendar days before any payment of any consideration to Franchisor for this sale of a franchise. Franchisee further acknowledges that Franchisee has read that Franchise Disclosure Document and understands its contents. Franchisee further acknowledges that Franchisor has provided Franchisee with a copy of this Agreement and all related documents containing all material terms, at least seven (7) calendar days prior to Franchisee's execution of this Agreement.

Franchisee acknowledges it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee regarding this Agreement or the relationship created. Franchisee, together with its advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision regarding the franchise.

15.03 Organization of Franchisee. If Franchisee is a corporation or any other authorized legal entity, Franchisee represents, warrants and covenants that:

- (a) Franchisee is duly organized and validly existing under the laws of the State of its formation.
- (b) Franchisee is duly qualified and authorized to do business in each jurisdiction in which its business activities, or the nature of properties owned by it, may require qualification.
- (c) Franchisee's corporate charter, written partnership agreement or other organizational document, provide that the activities of Franchisee are confined exclusively to the operation of the Office under the System, unless otherwise consented to in writing by Franchisor.
- (d) The signing and delivery of this Agreement and the transactions contemplated by it are within Franchisee's lawful power.

15.04 Other Acknowledgments. Franchisee does not know of any representations by Franchisor or its officers, directors, shareholders, employees, agents or servants, about the business contemplated by this Agreement that are contrary to this Agreement or the Franchise Disclosure Document. Franchisee

represents, as an inducement to Franchisor's entry into this Agreement, that neither Franchisee nor any of the Owners have made any misrepresentations in obtaining this Agreement.

Franchisee knows that other present or future franchisees of Franchisor may join and operate under different agreement(s), and consequently that Franchisor's obligations and rights regarding its various franchisees may differ materially in certain circumstances.

ARTICLE 16. GENERAL PROVISIONS

16.01 Definition of "Franchisee". Unless otherwise specified, the term "Franchisee" as used in this Agreement will include the individual signatories to this Agreement; or, if Franchisee is an entity, those other persons whose names and signatures appear below and who by their execution of this Agreement agree to be personally and individually bound by all the terms by this Agreement.

16.02 Entire and Only Agreement. This Agreement, all exhibits to this Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties referring to the matter of this Agreement and supersede all prior negotiations, understandings, representations, and agreements; provided, however, that nothing in this or any related agreement disclaims the written representations Franchisor made in the Franchise Disclosure Document that Franchisor delivered to Franchisee. Franchisee acknowledges Franchisee is entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, because of Franchisee's own independent investigation of the System and the Network and not because of any representations about Franchisor, the System or the Network made by Franchisor's shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees contrary to the terms in this Agreement or of any prospectus, disclosure document or other similar document required or permitted to be given to Franchisee under applicable law.

16.03 Amendments. No alterations, modifications, amendments or changes in this Agreement will be effective or binding upon any party hereto, unless the same are in writing and executed by an authorized representative of both Franchisor and Franchisee.

16.04 Governing Law. This Agreement will be governed by and interpreted under the laws of the State where the Office is located, except that: (a) the arbitration clause will be exclusively governed by and construed according to the Federal Arbitration Act, and (b) trademark rights will be governed by and construed according to the Lanham Act.

16.05 Remedies Nonexclusive. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is, nor deemed to be, exclusive of any other right or remedy under this Agreement or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.

16.06 Equitable Remedies. Nothing in this Agreement will bar either party's right to obtain injunctive relief against any conduct or threatened conduct that causes or will cause it loss or damages, under the usual equity rules, including the rules for obtaining restraining orders and preliminary injunctions.

16.07 Severability. Except as provided to the contrary, each section, part term and/or provision will be severable; and if any section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, will not impair the operation of, or have any other effect upon, other sections, parts, terms and/or provisions of this Agreement as may remain otherwise intelligible, and the latter will continue to be given full force and effect and bind the parties hereto; and except for Franchisor's election rights under Section

5.04, the invalid sections, parts, terms and/or provisions will be deemed not to be a part of this Agreement.

16.08 Approvals in Writing. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee will make a timely written request to Franchisor for approval or consent, and that approval or consent will be obtained in writing. Franchisor agrees to respond in a timely fashion whenever Franchisee makes a timely written request for Franchisor's prior approval or consent. Approvals given by Franchisor in this Agreement will not constitute a waiver of Franchisor's rights or Franchisee's duties under any provision.

16.09 No Warranties by Franchisor. Except as otherwise provided in any written agreement between Franchisor and Franchisee, Franchisor makes no warranties or guarantees upon which Franchisee may rely. Franchisor assumes no liability or obligation to Franchisee by providing any waiver, approval, consent, suggestion or consultation to or with Franchisee for this Agreement, or by any delay or denial of any request for such waiver, approval, consent suggestion or consultation.

16.10 No Waiver. No failure of a party to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by the other party with any obligation or condition, and no custom or practice of the parties at variance with the terms, will constitute a waiver of that party's right to demand exact compliance with this Agreement. Waiver by a party of any default by the other party will not affect or impair that party's right regarding any subsequent default of the same, similar, or different nature; nor will any delay, forbearance, or omission of a party to exercise any power or right arising out of any breach or default by the other party of the terms, provisions, or covenants of this Agreement, affect or impair that party's right to exercise the same.

16.11 Waiver of Consumer Rights and Remedies. To the extent permitted by law, Franchisee expressly waives every one of its rights and remedies arising under the Deceptive Trade Practices-Consumer Protection Act, Section 17.41 et seq., Texas Business and Commerce Code (other than Section 17.555), a law that gives consumers special rights and protections. After consultation with an attorney of Franchisee's own selection, Franchisee does voluntarily consent to this waiver. Franchisee represents and warrants it has knowledge and experience in financial and business matters that enables it to evaluate the merits and risks of the transactions contemplated by this Agreement and that it is not in a significant disparate bargaining position vis-à-vis Franchisor at the time of entering into this Agreement.

16.12 Attorney's Fees. If it becomes necessary for either party to institute proceedings to enforce this Agreement, the non-prevailing party will be responsible for reasonable attorneys' fees and other costs incurred by the prevailing party for that proceeding. If a party prevails in part, then the attorney's fees will be prorated between the parties by the court as the court deems equitable.

16.13 Survival. The provisions of this Agreement as they relate to matters, events, or conditions occurring or existing prior to the expiration, termination, non-renewal or Transfer of this Agreement will survive the expiration, termination, non-renewal or Transfer of this Agreement. Further, Article 8 (Preservation of Names and Marks), Article 10 (Occurrences on Expiration, Non-Renewal or Termination), Article 11 (Indemnification by Franchisee), Article 12 (Financial Review Rights), Article 13 (Dispute Resolution), and Section 16.12 (Attorney Fees) will survive the expiration, termination, non-renewal or Transfer of this Agreement.

16.14 No Third Party Beneficiaries. Notwithstanding anything to the contrary, nothing in this Agreement is intended, nor will be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee and their respective successors and assigns as contemplated by Article 7, any rights or remedies under or by this Agreement.

16.15 Assignment by Franchisor. Franchisor may assign this Agreement or any rights or obligations created by it without Franchisee's consent upon the following conditions: (a) Franchisor reasonably believes that the assignee can perform Franchisor's obligations under this Agreement and (b) the assignee expressly agrees in writing to assume Franchisor's obligations under this Agreement.

16.16 Time is of the Essence. Time is of the essence in all matters relating to every provision of this Agreement.

16.17 Gender and Number. Any reference in this Agreement to the masculine, feminine or neuter gender includes the other two genders, and any reference to the singular or plural number includes the other number.

16.18 Captions. The Captions in this Agreement are for reference only and will not affect the meaning, interpretation or scope of this Agreement.

16.19 Guaranty. Franchisee and all Owners must approve this Agreement and sign separately written guaranties of Franchisee's payments and performance in the form of Exhibit B to this Agreement. Franchisee represents and warrants that all of the Owners of Franchisee on the Effective Date are shown below and that Franchisee and the Owners will notify Franchisor, as provided in Article 7, of any proposed change in the Owners of Franchisee after the Effective Date.

«TableStart:CompOwner1»«Dr FName 1» «Dr MName 1» «Dr LName 1»«TableEnd:CompOwner1»

16.20 Electronic Signing and Delivery. Whenever the written consent of any party to this agreement is required by this Agreement, any written consent or signature page signed and transmitted by facsimile machine or scanned and transmitted in PDF format by email is treated as an original document. The signature of any party on a faxed or scanned and emailed document is considered as an original signature, and the document transmitted is considered to have the same binding effect as an original signature on an original document. No party to this Agreement may challenge the authenticity of any document signed and delivered in compliance with this Section solely on the basis of the method by which a document has been transmitted.

IN WITNESS WHEREOF, the parties to this Agreement have signed this document on the dates below their signatures, in multiple counterparts, each of which will be an original for all purposes. The term of this Agreement and the period on which Royalties are assessed will begin on the Start Date specified in Section 3.01. If it has been signed and delivered by Franchisee, this Agreement will become legally binding on the date below the signature of Franchisor's signatory (the "Effective Date").

FRANCHISOR:
Smile Source L.P.

FRANCHISEE:
«COMP LEGAL NAME»

By: SMILE SOURCE MANAGEMENT L.L.C.,
General Partner of SMILE SOURCE L.P.

By: _____
Name: Trevor Maurer
Title: President
Effective Date: _____

By: «TableStart:CompOwner 2»_____
Name: «Dr FName 2» «Dr MName2» «Dr
LName2», «Mbr Cred 2»
Title: «Owner Title 2»
Date Signed: «TableEnd:CompOwner 2»_____

EXHIBIT A
TERRITORY

The area within the centerlines of the following highways, streets and boundary lines, as they exist on
the Effective Date of this Franchise Agreement:

«Territory Desc»

Note: The above Territory applies only to the Designated Location stated in Section 1.04 of this Franchise Agreement. If Franchisee has one or more additional approved location(s), the territory for each additional approved location must be specified in a separate franchise agreement for each additional approved location.

EXHIBIT B
PERSONAL GUARANTY OF FRANCHISE AGREEMENT

In consideration of, and as an inducement to, the signing and delivery of the Franchise Agreement ("Agreement") with a Start Date of _____, 20____, by and between Smile Source L.P., a Texas limited partnership ("Franchisor"), and _____, a _____ ("Franchisee"), each of the undersigned guarantees unto Franchisor that the Franchisee will perform during the term of the Agreement every covenant, payment, agreement and undertaking by Franchisee contained and set forth in the Agreement.

Franchisor, its successors and assigns, may from time to time, without notice to the undersigned (a) resort to the undersigned for payment of the liabilities and obligations of Franchisee to Franchisor (the "Liabilities"), whether or not it or its successors have resorted to any property securing the Liabilities or proceeded against any other of the undersigned or any party primarily or secondarily liable on the Liabilities, (b) release or compromise any liability of the undersigned or any liability of any party or parties primarily or secondarily liable on the Liabilities, and (c) extend, renew or credit the Liabilities for any period (whether or not longer than the original period); alter, amend or exchange the Liabilities; or give any other form of indulgence, whether under the Agreement or not.

The undersigned agrees to comply with and abide by all of the covenants and provisions of the Agreement, as they relate to the Owners of Franchisee, to the same extent as and for the same time as Franchisee must comply with and abide by those covenants and provisions, including but not limited to the covenants and provisions of Section 5.03 (Professional Status and Requirements), Section 5.10 (Practice Outside of Designated Location), Article 7 (Transfers of Interest by Franchisee), Section 8.06 (Confidential Information), Article 10 (Occurrences Upon Expiration, Non-Renewal or Termination) and Article 13 (Dispute Resolution). These obligations of the undersigned will survive any expiration or termination of the Agreement or this Guaranty.

The undersigned further waives presentment, demand, notice of dishonor, protest, nonpayment and all other notices, including without limitation: notice of acceptance, notice of all contracts and commitments; notice of the existence or creation of any liabilities under the foregoing Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Franchisee and Franchisor resulting from the Agreement or otherwise, and the settlement, compromise or adjustment thereof.

The undersigned agrees to pay all expenses paid or incurred by Franchisor in enforcing the Agreement and this Guaranty against Franchisee and against the undersigned and in collecting or attempting to collect any amounts due by Franchisee or the undersigned, including reasonable attorneys' fees if enforcement or collection is by or through an attorney-at-law. Any waiver, extension of time or other indulgence granted from time to time by Franchisor, its agents, its successors or assigns, regarding the Agreement, will in no way modify or amend this Guaranty, which will be continuing, absolute, unconditional and irrevocable.

If more than one person has executed this Guaranty, the term "the undersigned," as used herein will refer to each person, and the liability of each of the undersigned will be joint and several and primary.

IN WITNESS WHEREOF, the parties to this Guaranty of Franchise Agreement have signed this document, in multiple counterparts, each of which will be an original for all purposes.

GUARANTOR:

By: _____
Name: _____
Date Executed: _____

GUARANTOR:

By: _____
Name: _____
Date Executed: _____

EXHIBIT C
SPECIAL RELEASE OF CLAIMS

This SPECIAL RELEASE OF CLAIMS ("Release") is entered into by and between Smile Source L.P., a Texas Limited Partnership ("Franchisor"), and _____, a _____ ("Franchisee").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement, with a Start Date of the ____ day of _____, 20__ ("Franchise Agreement") for the franchised dental care center at _____; and

WHEREAS, Franchisee desires to renew the Franchise Agreement;

NOW, THEREFORE, as a material inducement for Franchisor to renew the Franchise Agreement and in accordance with Article 3 of the Franchise Agreement and in consideration of the mutual promises herein contained and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by all parties; the undersigned parties **RELEASE AND FOREVER DISCHARGE**, and by these presents do for Franchisee and Guarantor(s), and for their respective heirs, executors, legal representatives, administrators, successors and assigns, **RELEASE AND FOREVER DISCHARGE** Franchisor, its parent, subsidiaries, affiliates and their officers, directors, attorneys, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under Federal, State, and local laws, rules, and ordinances arising out of, or connected with, performing the Franchise Agreement or any other agreement between Franchisor and Franchisor's subsidiaries and affiliates and Franchisee prior to the effective date stated below.

This Release will not apply to (a) claims arising out of representations made by Franchisor in any franchise disclosure document furnished to Franchisee for the Franchise Agreement; or (b) non-waivable statutory claims.

It is further understood and agreed there are no promises of any additional payments or of any further benefits to be received by Franchisee from Franchisor, its employees, agents, successors, assigns and/or affiliates other than the consideration recited.

It is acknowledged, agreed and understood we have read this Special Release of Claims and it is a complete, written statement of the terms and conditions of the Special Release of Claims.

(Signatures on next page)

IN WITNESS WHEREOF, the parties to this Special Release of Claims have signed this document on the dates below their signatures, in multiple counterparts, each of which will be an original for all purposes and will be effective as of the ____ day of _____, 20____.

FRANCHISOR:

SMILE SOURCE L.P.

By: SMILE SOURCE MANAGEMENT L.L.C.,
General Partner of SMILE SOURCE L.P.

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date Executed: _____

By: _____
Name: _____
Title: _____
Date Executed: _____

By: _____
Name: _____
Title: _____
Date Executed: _____

GUARANTOR(S):

By: _____
Name: _____
Date Executed: _____

By: _____
Name: _____
Date Executed: _____

EXHIBIT D
NOTICE OF ELECTION TO OPT OUT OF FRANCHISE AGREEMENT

This Notice of Election to Opt Out of Franchise Agreement (“Notice”) is provided by the undersigned (“Franchisee”) to Smile Source L.P. (“Franchisor”) as provided in Section 9.01(ii) of the Smile Source Franchise Agreement, with a Start Date of _____, 20____, for the franchised Office at _____ (“Franchise Agreement”).

CONDITIONS FOR OPT OUT OF FRANCHISE AGREEMENT

Franchisee agrees that the following conditions must be satisfied by Franchisee for the opt out of the Franchise Agreement to be effective. Franchisee also agrees that if every condition stated in this Notice is not timely satisfied by Franchisee, Franchisee may not opt out of the Franchise Agreement and the Franchise Agreement will continue for the remainder of the initial Term.

1. Franchisee is electing to opt out of the Franchise Agreement effective _____, 20____ (“Opt Out Date”), which is a date within the 13th full calendar month of the Initial Term of the Franchise Agreement.
2. This Notice must be given by Franchisee to Franchisor under the notice provisions in Article 14 of the Franchise Agreement.
3. Substitutions for this form of Notice will not constitute a valid notice under Section 9.01(ii) of the Franchise Agreement.
4. This Notice must be received by Franchisor at least ninety (90) days before the Opt Out Date.
5. Franchisee must identify, below or on an attachment to this Notice, the specific reason(s) why Franchisee is electing to opt out of the Franchise Agreement.

Reason(s): _____

6. Franchisee must pay all money owed to Franchisor or to any subsidiary or affiliate of Franchisor by the Opt Out Date and must timely pay the monthly Royalty, together with the sales report, for the final two (2) months of the term within forty-five (45) days after the end of the respective month, as provided in the Franchise Agreement.
7. Franchisee must return to Franchisor all Confidential Information, as defined in the Franchise Agreement, received during the term of the Franchise Agreement.
8. Franchisee must not hold itself out to the public as a present or former franchisee or operator of a dental care establishment under the Smile Source Names and Marks, as a member of the Smile Source Network, or in any way associated with the Smile Source.
9. Franchisee must notify every vendor and/or supplier, from whom Franchisee has obtained any purchase discounts, price concessions and/or rebates, and also every payer under any insurance plan or managed care program in which Franchisee participates as a contracted provider, advising them that Franchisee is no longer a member of the Smile Source Network and is no longer entitled to any purchase discounts and/or price concessions available to members of the Smile Source Network or a provider in the Smile Source Network.
10. Franchisee must fully and timely comply with all of the terms and conditions of the Franchise Agreement relating to a former franchisee’s obligations following a termination of the Franchise Agreement, including but not limited to Article 10 and Section 16.13 of the Franchise Agreement.

ACKNOWLEDGMENTS

By signing and sending this Notice to Franchisor and provided that Franchisee fully complies with the conditions stated above, Franchisee acknowledges that effective the Opt Out Date, the Franchise Agreement will be terminated and Franchisee will be removed from all Smile Source pricing, promotions, and exclusive programs, which include but are not limited to:

- Invoice Discounts
- Statement Credits
- Exclusive Rebates
- Reduced and Free Shipping Programs
- Credit Card Processing Savings
- Protected Trade Area Investment
- Trade Area Demographic Profile Information
- Future Potential Managed Care Agreements
- Annual Service Agreements
- Local Smile Source Marketing Campaigns
- Product returns after exit date may not reflect Smile Source discount pricing

IN WITNESS WHEREOF, Franchisee has signed this Notice of Election to Opt Out of Franchise Agreement on the date stated below.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date Signed: _____

FRANCHISOR'S ACKNOWLEDGMENT OF RECEIPT:

Method of delivery of Notice (*check one*):

☐ Personal Delivery by _____

☐ U.S. Certified Mail
No: _____

☐ Overnight Courier by _____
No: _____

Received By: _____

Printed Name: _____

Date Received: _____

EXHIBIT E-2A

ADDENDUM TO FRANCHISE AGREEMENT FOR MINNESOTA FRANCHISES

This Addendum relates to franchises sold in Minnesota and is intended to comply with Minnesota statutes and regulations. In accordance with Section 16.03 of the Franchise Agreement with a Start Date of the ____ day of _____, 2016, between _____, of _____, and Smile Source L.P., a Texas Limited Partnership, of 23824 Highway 59 North, Kingwood, Texas 77339, (the "Franchise Agreement"), certain provisions of the Franchise Agreement are hereby amended as follows:

1. Section 4.01 of the Franchise Agreement is hereby amended to read in its entirety as follows:

4.01 Royalty. Beginning on the Start Date, and continuing throughout the Initial Term and any renewal term of this Agreement, Franchisee must pay, without demand, to Franchisor a monthly royalty ("Royalty") equal to one and four-tenths percent (1.40%) of the Gross Receipts (as defined in this Section) of the Office. Royalty payments are delinquent if not received in Franchisor's bank lockbox by the forty-fifth (45th) day following the last day of the calendar month for which payment is being made. Franchisee must submit a certified statement of Gross Receipts and Allowable Sales Deductions, in the form Franchisor designates, with each Royalty payment.

The term "Gross Receipts" means all amounts received by the Office, computed according to generally accepted accounting principles, minus "Allowable Sales Deductions" consisting of sales taxes and other similar taxes collected from patients or customers on the amount of sales transactions, the balance due on patients' or customers' unclaimed orders, reimbursements and price adjustments to insurance carriers and governmental agencies, cash refunds to patients or customers and money lost on returned checks.

If applicable law does not permit amounts received for dental services to be included in the calculation of Gross Receipts to compute and pay the Royalty, then the term "Gross Receipts" will not include receipts from those services; and the Gross Receipts as calculated will be multiplied by two (2) to calculate the Royalty.

If a legal determination is made by a government authority with jurisdiction over this Agreement or by Franchisor, upon advice of counsel, that the current method of calculating the Royalty does not conform to current law, then Franchisor and Franchisee agree to negotiate in good faith an alternative fee arrangement that would conform to the law and provide equivalent economic value to the Franchisor. If the parties do not so agree within sixty (60) days after notice by Franchisor that a new agreement regarding fees is necessary, this Agreement will terminate immediately upon written notice by Franchisor to Franchisee. All post-termination obligations of the parties will remain in effect.

If this Agreement is terminated by Franchisee during the thirteenth (13th) full calendar month of the Initial Term, as provided in subsection (ii) of Section 9.01 of this Agreement, Franchisee may be qualified for a refund of Royalty fees paid during the first twelve (12) months of the Initial Term (the "Test Period"). The requirements for a Royalty refund for the Test Period are as follows:

- (a) Franchisor has received Franchisee's properly completed Notice of Election to Opt Out of Franchise Agreement (see Exhibit D in Franchise Agreement) at least ninety (90) days before the requested opt out date.
- (b) Franchisee has not been and is not then in default, whether cured or not, of

this Agreement or any other agreement between Franchisee and Franchisor or its subsidiaries and affiliates and has timely paid each month all Royalty fees with the applicable monthly sales report.

- (c) Franchisee has utilized Franchisor's dental supply vendor program for at least seventy-five percent (75%) of Franchisee's dental supply purchases during the Test Period. Franchisee must provide Franchisor a copy of all invoices for dental supply purchases during the Test Period to support meeting this requirement.
- (d) Franchisee has utilized Franchisor's dental lab vendor program for at least fifty percent (50%) of Franchisee's dental lab purchases during the Test Period. Franchisee must provide Franchisor a copy of all invoices for dental lab purchases during the Test Period to support meeting this requirement.
- (e) Franchisee has utilized Franchisor's merchant credit card vendor program if the savings exceed \$100 per month over the Franchisee's previous merchant credit card program. Franchisee must provide Franchisor a copy of all merchant statements during the Test Period to support meeting this requirement.
- (f) Franchisee has attended at least one (1) Smile Source Exchange conference in its entirety.
- (g) Franchisee has attended at least 50% of our local, regional and/or state franchisee meetings that include your Office Territory.

If the Franchisee has satisfied all of the above requirements to the reasonable satisfaction of Franchisor, then the Franchisee will be qualified for a partial refund of Royalty fees paid during the Text Period. The portion of the Royalty fees to be refunded to the Franchisee will be the difference between the total Royalty fees paid by Franchisee to Franchisor for the Test Period less the savings Franchisee realized from Franchisee's dental supply purchases and dental lab purchases, under the respective Smile Source vendor program, during the Test Period. The savings will be computed as the differential on what Franchisee's dental supplies and dental lab purchases actually cost the Franchisee during the Test Period compared to what similar dental supplies and dental lab purchases would have cost Franchisee from Franchisee's other vendors.

The Royalty refund will be paid by the Franchisor to the Franchisee in a timely manner following the receipt by Franchisor from Franchisee, within ninety (90) days following the Opt Out Date, all information necessary for the proper computation of the amount of the Royalty refund.

2. In recognition of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01-80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to further modify the Franchise Agreement as follows:

- A. Releases. Sections 3.02.5 and 7.06(c) are each amended by adding the following:
Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.
- B. Renewal and Termination. Section 3.02 and Article 9 are each amended by adding the following:

Notwithstanding anything to the contrary in this section, Franchisor will comply with Minnesota Statutes Clause 80C.14, Subdivision 3, 4, and 5 which require, except in certain cases, that Minnesota franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

C. Trademarks. Section 8.01 is amended by adding the following:

Franchisor will indemnify Franchisee against liability to a third party resulting from claims that Franchisee's use of the Names and Marks infringes trademark rights of the third party, provided that Franchisee's use is in accordance with the requirements of the Franchise Agreement and the System.

D. Acknowledgments. Article 15 is amended by adding the following:

Pursuant to Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J, nothing in the Agreement shall in any way abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C.

E. This Addendum will have effect only if the Franchise Agreement and/or the relationship between Franchisor and Franchisee satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01 - 80C.22.

Ratification of Franchise Agreement

In every other respect, Franchisor and Franchisee hereby ratify and confirm the Franchise Agreement and that the Franchise Agreement will remain in full force and effect, as amended by this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum to Franchise Agreement on the dates below their signatures, in multiple counterparts, each of which will be an original for all purposes. If it has been signed and delivered by Franchisee, this Addendum will become legally binding on the date below the signature of Franchisor's signatory (the "Effective Date").

FRANCHISOR:

SMILE SOURCE L.P.

FRANCHISEE:

By: SMILE SOURCE MANAGEMENT L.L.C.,
General Partner of SMILE SOURCE L.P.

By: _____

Name: Trevor Maurer

Title: President

Effective Date: _____

By: _____

Name: _____

Title: _____

Date Executed: _____

EXHIBIT E-2B

ADDENDUM TO FRANCHISE AGREEMENT FOR MINNESOTA FRANCHISES

This Addendum relates to franchises sold in Minnesota and is intended to comply with Minnesota statutes and regulations. In accordance with Section 16.03 of the Franchise Agreement with a Start Date of the ____ day of _____, 20__, between _____, of _____, and Smile Source L.P., a Texas Limited Partnership, of 23824 Highway 59 North, Kingwood, Texas 77339, (the "Franchise Agreement"), certain provisions of the Franchise Agreement are hereby amended as follows:

1. Section 4.01 of the Franchise Agreement is hereby amended to read in its entirety as follows:

4.01 Royalty. Beginning on the Start Date, and continuing through _____, 20__, Franchisee must pay, without demand, to Franchisor a fixed monthly royalty ("Royalty") of [____ Dollars (\$__.00)]. Beginning _____, 20__, and continuing throughout the remainder of the Initial Term and throughout any renewal term of this Agreement, Franchisee must pay, without demand, to Franchisor a monthly Royalty equal to [____ percent (___%)] of the Gross Receipts (as defined in this Section) of the Office. Royalty payments are delinquent if not received in Franchisor's bank lockbox by the forty-fifth (45th) day following the last day of the calendar month for which payment is being made. Franchisee must submit a certified statement of Gross Receipts and Allowable Sales Deductions, in the form Franchisor designates, with each Royalty payment.

The term "Gross Receipts" means all amounts received by the Office, computed according to generally accepted accounting principles, minus "Allowable Sales Deductions" consisting of sales taxes and other similar taxes collected from patients or customers on the amount of sales transactions, the balance due on patients' or customers' unclaimed orders, reimbursements and price adjustments to insurance carriers and governmental agencies, cash refunds to patients or customers and money lost on returned checks.

If applicable law does not permit amounts received for dental services to be included in the calculation of Gross Receipts to compute and pay the Royalty, then the term "Gross Receipts" will not include receipts from such services; and the Gross Receipts as calculated will be multiplied by two (2) to calculate the Royalty.

If a legal determination is made by a government authority with jurisdiction over this Agreement or by Franchisor, upon advice of counsel, that the current method of calculating the Royalty does not conform to current law, then Franchisor and Franchisee agree to negotiate in good faith an alternative fee arrangement that would conform to the law and provide equivalent economic value to the Franchisor. If the parties do not so agree within sixty (60) days after notice by Franchisor that a new agreement regarding fees is necessary, this Agreement will terminate immediately upon written notice by Franchisor to Franchisee. All post-termination obligations of the parties will remain in effect.

2. Section 6.01 of the Franchise Agreement is hereby amended to add a second paragraph as follows:

Until the earlier of (a) _____ 1, 20__ or (b) the effective date of Franchisee's waiver and deletion of subparagraph (ii) of Section 9.01 by a written amendment of this Agreement signed by Franchisor and Franchisee, (such date being referred to as the "Opt-Out Expiration Date"), Franchisor will retain and keep any and all rebates based on Franchisee's purchases of products and services under the Cooperative Buying Program for all periods prior to the Opt-Out Expiration Date.

3. Subparagraph (ii) of Section 9.01 of the Franchise Agreement is hereby amended to read in its entirety as follows:

- (ii) In the Initial Term only, by Franchisee effective ____ 30, 20__; provided Franchisee gives Franchisor written notice, in the form of Exhibit D to this Agreement, that is received by Franchisor before ____, 20__. However, if Franchisee fails to pay all amounts due and owing by Franchisee under this Agreement, through ____, 20__, including but not limited to all Royalty fees, late fees and interest, or, if Franchisee fails to satisfy the conditions stated in the written notice in the form of Exhibit D to this Agreement, then any that termination by Franchisee under this subparagraph will be null and void and this Agreement will continue throughout the remainder of the Initial Term, as otherwise provided in this Agreement.

4. In recognition of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01-80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to further modify the Franchise Agreement as follows:

A. Releases. Sections 3.02.5 and 7.06(c) are each amended by adding the following:

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

B. Renewal and Termination. Section 3.02 and Article 9 are each amended by adding the following:

Notwithstanding anything to the contrary in this section, Franchisor will comply with Minnesota Statutes Clause 80C.14, Subdivision 3, 4, and 5 which require, except in certain cases, that Minnesota franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

C. Trademarks. Section 8.01 is amended by adding the following:

Franchisor will indemnify Franchisee against liability to a third party resulting from claims that Franchisee's use of the Names and Marks infringes trademark rights of the third party, provided that Franchisee's use is in accordance with the requirements of the Franchise Agreement and the System.

D. Acknowledgments. Article 15 is amended by adding the following:

Pursuant to Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J, nothing in the Agreement shall in any way abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C.

E. This Addendum will have effect only if the Franchise Agreement and/or the relationship between Franchisor and Franchisee satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01 - 80C.22.

Ratification of Franchise Agreement

In every other respect, Franchisor and Franchisee hereby ratify and confirm the Franchise Agreement and that the Franchise Agreement will remain in full force and effect, as amended by this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum to Franchise Agreement on the dates below their signatures, in multiple counterparts, each of which will be an original for all purposes. If it has been signed and delivered by Franchisee, this Addendum will become legally binding on the date below the signature of Franchisor's signatory (the "Effective Date").

FRANCHISOR:

SMILE SOURCE L.P.

FRANCHISEE:

By: SMILE SOURCE MANAGEMENT L.L.C.,
General Partner of SMILE SOURCE L.P.

By: _____

Name: Trevor Maurer

Title: President

Effective Date: _____

By: _____

Name: _____

Title: _____

Date Executed: _____

EXHIBIT E-3

FRANCHISOR CONSENT AND SUBORDINATION AGREEMENT

This Franchisor Consent and Subordination Agreement (the “Agreement”), dated as of _____, 20____, is by and among _____ (“Franchisee”), _____ (“Lender”) and Smile Source L.P. (“Franchisor”).

Recitals:

A. Franchisor and Franchisee are parties a Franchise Agreement, as amended (the “Franchise Agreement”), for the operation of a franchised dental care office located at _____ (the “Franchised Business”).

B. Pursuant to the Franchise Agreement, Franchisee has granted a security interest (the “Franchisor Security Interest”) in all of Franchisee’s personal property, including furniture, fixtures, equipment, inventory, accounts, general intangibles and investment property, now owned or hereafter acquired, all additions, substitutions, replacements, proceeds and products thereof, wherever located (the “Collateral”). As specified in the Franchise Agreement, the Collateral secures the payment of all amounts due under the Franchise Agreement, including but not limited to royalty fees and marketing fees, and all other liabilities, obligation and indebtedness of Franchisee to Franchisor or any third party under the terms of the Franchise Agreement and under any other agreement between Franchisee and Franchisor and any of its affiliates (the “Franchise Indebtedness”).

C. Franchisee has requested that Lender provide it with an extension of credit in the amount of _____ (the “Lender Loan”) to be secured by all or part of the Collateral.

D. Lender has agreed to make the Lender Loan to Franchisee, provided that: (i) Franchisee grants to Lender a first lien on the Collateral, and (ii) Franchisor agrees to subordinate any security interest it has or may have or may claim in the Collateral to the security interest of Lender in the Collateral.

E. Franchisor is willing to subordinate its security interest in the Collateral as provided in this Agreement.

Agreement:

1. Franchisor Consent. Franchisor consents to the Lender Loan and to the grant of the security interest of the Lender in the Collateral (the “Lender Security Interest”) and agrees that neither the Lender Loan nor the Lender Security Interest constitutes a default or event of default under the Franchise Agreement or any other documents, instruments or agreements evidencing, securing or otherwise relating to the indebtedness of Franchisee to Franchisor.

2. Subordination. Franchisor expressly subordinates the Franchisor Security Interest to the Lender Security Interest and makes the Franchisor Security Interest junior and inferior to the Lender Security Interest. Franchisor and Lender agree that any and all proceeds received from the exercise of any rights or remedies against the Collateral (including, without limitation, foreclosure or any other disposition of any Collateral) shall first be paid to Lender until Lender has received cash proceeds in the amount of the principal plus accrued interest outstanding on the Lender Loan plus expenses for preservation of the Collateral and any other expenses incurred by Lender in the collection of the Lender Loan, with any remaining proceeds to be paid to Franchisor for application to the Franchise Indebtedness. This Agreement constitutes a continuing agreement of subordination and shall continue its full force and effect until the Lender Loan has been fully paid and discharged.

3. Lender’s Notice and Opportunity to Cure. While this Agreement is in effect, Franchisor agrees to provide a copy to the Lender of each written notice of default that Franchisor serves on

Franchisee relating to Franchisee's operation of the Franchised Business. The copy shall be delivered to the Lender within fifteen (15) days after delivery of the default notice to Franchisee. The Lender will have the right, but not the obligation, to cure any default by Franchisee under the Franchise Agreement, provided that the default is curable under the terms of the applicable Franchise Agreement and cured to Franchisor's reasonable satisfaction within the time provided therein.

4. Franchisor's Notice and Opportunity to Cure. The Lender agrees to provide a copy to Franchisor of each written notice of default that the Lender serves on Franchisee within five (5) days after delivery of the default notice to Franchisee. Franchisee authorizes the Lender to furnish all such notices (or copies thereof) to Franchisor until such time as the Lender Loan is paid in full. Franchisor will have the right, but not the obligation, to cure any default by Franchisee with respect to the Lender Loan, provided that the default is curable under the loan documents and cured within the time provided therein.

5. Foreclosure; Franchisor's Right to Manage. The Lender agrees to give Franchisor written notice at least thirty (30) days before instituting foreclosure proceedings or any other action to realize on the security afforded by the Collateral. If the Lender Security Interest covers the Franchise Agreement, the Lender may assume Franchisee's rights and obligations under the Franchise Agreement only if: (i) the Lender executes a document in a form satisfactory to Franchisor, agreeing to be bound by all of the terms of the Franchise Agreement; and (ii) prior to assumption, the Lender cures all then-existing defaults by Franchisee under the Franchise Agreement. In order to protect and maintain the reputation and goodwill of the Franchised Business, Franchisor will have the right, but not the obligation, to operate the Franchised Business at the request of the Lender until such time as Franchisor or Franchisee terminates the Franchise Agreement or the Lender completes a foreclosure sale pursuant to Section 6(a) below. Franchisor's operation of the Franchised Business will be at the Lender's and Franchisee's joint reasonable cost and expense, including a reasonable management fee.

6. The Lender's Obligations Upon Foreclosure.

(a) If the Lender undertakes a foreclosure sale with respect to the Collateral, whether by public auction or private sale, before completing any sale to a third party, the Lender will give Franchisor a reasonable time to exercise its right of first refusal provided in the Franchise Agreement with respect to the Franchised Business. If Franchisor elects not to exercise its right of first refusal, Franchisor will have the right to approve any third-party purchaser in accordance with the Franchise Agreement. Franchisor will not unreasonably withhold or unduly delay its approval.

(b) Franchisor approves the Lender as a purchaser at a foreclosure sale conducted as provided in (a) above, subject to the conditions below:

(i) The Lender agrees to make good faith efforts to dispose of the Franchised Business within eighteen (18) months from the date of its acquisition. Any such disposition will be subject to Franchisor's rights under the Franchise Agreement. If the Lender fails to dispose of the Franchised Business within the 18-month period, Franchisor will have the right at any time thereafter to terminate the Franchise Agreement by delivering written notice of termination to the Lender.

(ii) For as long as the Lender retains ownership of the Franchised Business, Franchisor will have the right, but not the obligation, to operate any or all of the Franchised Business for the benefit of the Lender and Franchisor, at the Lender's reasonable cost and expense, including a reasonable management fee.

7. No Franchisor Liability. Franchisor is not and will not be liable for repayment of the Lender Loan or any other financing extended to Franchisee by the Lender.

8. Lender Actions. Lender may, at any time, from time to time, without the consent of or notice to Franchisor or any other person, without incurring any responsibility to any such person, and

without impairing or releasing the obligations of Franchisee or Franchisor hereunder: (a) change the manner, place or terms of payment of, or change or extend the time of payment of, or renew or alter the Lender Loan, with the exception of increasing the principal amount owing on the Lender Loan to exceed \$ _____; (b) extend, modify or amend any agreement or any other document related to the Lender or the Lender Security Interest; (c) release anyone liable for the payment of the Lender Loan; or (d) exercise or refrain from exercising any rights against the Franchisee, the Lender Security Interest or any other person.

9. Assignment of Franchisor Security Interest. Franchisor shall not assign or transfer the Franchisor Indebtedness or the Franchisor Security Agreement or any documents executed in connection therewith to any party while the Lender Loan remains unpaid, unless the assignment or transfer is made expressly subject to this Agreement.

10. No Implied Waiver. No waiver shall be deemed to be made by Lender of any of its rights hereunder unless in writing signed on behalf of Lender, and each such waiver, if any, shall be a waiver only with respect to the specific matter or matters to which the waiver relates and shall in no way impair the rights of Lender in any other respect. No waiver shall be deemed to be made by Franchisor of any of its rights hereunder unless in writing signed on behalf of Franchisor, and each such waiver, if any, shall be a waiver only with respect to the specific matter or matters to which the waiver relates and shall in no way impair the rights of Franchisor in any other respect.

11. Successors and Assigns. This Agreement is binding on Franchisor, Franchisee and Lender and their respective successors and assigns.

12. Effect on Franchise Agreement. Subject to the rights granted to the Lender herein, the Lender and Franchisee acknowledge that this Agreement does not impair Franchisor's right to exercise any rights or remedies Franchisor may have under the Franchise Agreement and applicable law, including but not limited to issuing notices of default or terminating any or all of the Franchise Agreement in accordance with the terms of the Franchise Agreement and applicable law. Franchisee agrees that the terms of this Agreement do not give Franchisee any rights against the Franchisor or Lender. This Agreement is for the sole benefit of and may be enforced by Lender, Franchisor and their respective successors and assigns only and is not for the benefit of and may not be enforced by Franchisee.

13. Termination. This Agreement will terminate upon delivery of notice to Franchisor by Franchisee or the Lender that the Lender Loan has been paid in full or otherwise discharged and that the Lender has released the Lender Security Interest.

14. Governing Law. This Agreement is governed by and will be construed in accordance with the laws of the State of _____.

15. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will constitute one instrument.

(Signatures on next page)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized representatives.

FRANCHISOR:

SMILE SOURCE L.P.

By: SMILE SOURCE MANAGEMENT L.L.C.,
General Partner of SMILE SOURCE L.P.

By: _____
Name: _____
Title: _____
Date Executed: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date Executed: _____

LENDER:

By: _____
Name: _____
Title: _____
Date Executed: _____

EXHIBIT F

PERSONAL GUARANTY OF FRANCHISE AGREEMENT

In consideration of, and as an inducement to, the signing and delivery of the Franchise Agreement (“Agreement”) with a Start Date of _____, 20____, by and between Smile Source L.P., a Texas limited partnership (“Franchisor”), and _____, a _____, (“Franchisee”), each of the undersigned guarantees unto Franchisor that the Franchisee will perform during the term of the Agreement every covenant, payment, agreement and undertaking by Franchisee contained and set forth in the Agreement.

Franchisor, its successors and assigns, may from time to time, without notice to the undersigned (a) resort to the undersigned for payment of the liabilities and obligations of Franchisee to Franchisor (the “Liabilities”), whether or not it or its successors have resorted to any property securing the Liabilities or proceeded against any other of the undersigned or any party primarily or secondarily liable on the Liabilities, (b) release or compromise any liability of the undersigned or any liability of any party or parties primarily or secondarily liable on the Liabilities, and (c) extend, renew or credit the Liabilities for any period (whether or not longer than the original period); alter, amend or exchange the Liabilities; or give any other form of indulgence, whether under the Agreement or not.

The undersigned agrees to comply with and abide by all of the covenants and provisions of the Agreement, as they relate to the Owners of Franchisee, to the same extent as and for the same time as Franchisee must comply with and abide by those covenants and provisions, including but not limited to the covenants and provisions of Section 5.03 (Professional Status and Requirements), Section 5.10 (Practice Outside of Designated Location), Article 7 (Transfers of Interest by Franchisee), Section 8.06 (Confidential Information), Article 10 (Occurrences Upon Expiration, Non-Renewal or Termination) and Article 13 (Dispute Resolution). These obligations of the undersigned will survive any expiration or termination of the Franchise Agreement or this Guaranty.

The undersigned further waives presentment, demand, notice of dishonor, protest, nonpayment and all other notices, including without limitation: notice of acceptance, notice of all contracts and commitments; notice of the existence or creation of any liabilities under the foregoing Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Franchisee and Franchisor resulting from the Agreement or otherwise, and the settlement, compromise or adjustment thereof.

The undersigned agrees to pay all expenses paid or incurred by Franchisor in enforcing the Agreement and this Guaranty against Franchisee and against the undersigned and in collecting or attempting to collect any amounts due by Franchisee or the undersigned, including reasonable attorneys’ fees if enforcement or collection is by or through an attorney-at-law. Any waiver, extension of time or other indulgence granted from time to time by Franchisor, its agents, its successors or assigns, regarding the Agreement, will in no way modify or amend this Guaranty, which will be continuing, absolute, unconditional and irrevocable.

If more than one person has executed this Guaranty, the term “the undersigned,” as used herein will refer to each person, and the liability of each of the undersigned will be joint and several and primary.

IN WITNESS WHEREOF, the parties to this Personal Guaranty of Franchise Agreement have signed this document, in multiple counterparts, each of which will be an original for all purposes.

GUARANTOR:

By: _____
Name: _____
Date Executed: _____

GUARANTOR:

By: _____
Name: _____
Date Executed: _____

EXHIBIT G
NONDISCLOSURE AGREEMENT TO
PROTECT RELEASE OF CONFIDENTIAL INFORMATION

In the course of our forthcoming discussions, negotiations, and your investigation of the franchise opportunity being offered to you by Smile Source, we will reveal to you certain confidential and proprietary information of Smile Source and its subsidiaries and affiliates ("Confidential Information") as defined below. The Confidential Information is proprietary to Smile Source and has been developed and maintained at substantial cost to Smile Source. Disclosure of the Confidential Information to third parties could cause substantial and irreparable damage to Smile Source. In the interest of avoiding any misunderstandings about the basis on which Confidential Information is disclosed to you, we are requesting that you read and agree to the following terms.

As a material inducement for our agreement to disclose certain Confidential Information to you, you agree not to disclose any of the Confidential Information to any third party, other than your trusted advisor who agrees to be bound by the terms of this nondisclosure agreement, except as may be specifically authorized in writing by an officer of Smile Source. The Confidential Information in this context consists of the Disclosure Document and all attached exhibits, and further includes but is not limited to, the business organization and plan, contracts, agreements, customer lists, product pricing, managed care initiatives and other related business ideas and concepts of Smile Source and its subsidiaries and affiliates. You also agree to take reasonable steps to ensure that your employees, representatives, and agents do not disclose any Confidential Information to any other persons. The term "reasonable steps" means the steps that you take to protect your own, similar confidential and proprietary information, which will not be less than a reasonable standard of care.

You agree that the Confidential Information will not be used for any purpose other than determining whether to become affiliated with the Smile Source franchise network. On termination or expiration of our discussions, you shall surrender to Smile Source all originals and all copies of Confidential Information in your possession and will refrain from the further use and disclosure, in any manner, of any Confidential Information.

If these terms are acceptable to you, please sign this agreement below where indicated . Thank you for your cooperation in this matter.

ACCEPTED AND AGREED

Signature

Signature

Printed Name

Date

Printed Name

Date

Exhibit H
List of Smile Source Franchisees
as of December 31, 2015

Office ID	Office State	Office City	Office Address	Office ZIP	Office Phone	Doctor No 1
171	AL	Alabaster	223 North First Street	35007	(205) 663-6644	Stricklin, Stephen
420	AL	Alabaster	122 7th Avenue NE	35007	(205) 663-6545	Dudney, Thomas
163	AL	Birmingham	100 Heatherbrooke Park Dr., Ste A	35242	(205) 991-9535	Lester, Paige
164	AL	Birmingham	1600 Deo Dara Drive, Ste 2	35226	(205) 979-8655	Rosenstiel, Guy
382	AL	Birmingham	2216 Old Springville Rd., Ste A	35215	(205) 853-4600	Marshall, M. Reid
172	AL	Chelsea	100 Chelsea Corners Way, Ste 113	35043	(205) 678-2525	Davis, Keith
272	AL	Dothan	200 Parkwest Circle., Ste 1	36303	(909) 749-3830	Pfister, Nathan
124	AL	Huntsville	204 Lowe Avenue SE, Ste 1	35801	(256) 533-0051	Gill, Sonja
173	AR	Benton	1200 Ferguson Dr., Ste 4	72015	(501) 778-9222	Fulks, Clint
351	AR	Hot Springs	2220 Malvern Avenue	71901	(501) 623-6132	Benton, Brandon Kyle
409	AR	Jacksonville	815 Marshall Road	72076	(501) 982-4447	Pinney, Ted
282	AR	Texarkana	1600 Arkansas Blvd., Ste 200	71854	(870) 773-3109	Marracino, Torin
423	AZ	Gilbert	1170 N. Gilbert Rd., Ste 125	85234	(480) 507-1807	Jacobsen, Kathy
386	AZ	Glendale	11851 N. 51st Ave., Ste 120	85304	(623) 419-5683	Ngo, Kelvin
403	AZ	Glendale	5664 West Bell Road	85308	(602) 978-3500	Arthurs, Ryan
32	AZ	Goodyear	14940 West Indian School Rd	85395	(623) 536-6789	Wolter, Daniel
387	AZ	Sun City West	13920 W. Camino Del Sol, Ste 1	85375	(623) 474-3343	Mueller, Kevin
404	AZ	Sun City West	13925 W. Meeker Blvd., Ste A	85375	(623) 537-5327	Arthurs, Ryan
389	AZ	Surprise	13933 W. Grand Ave., Ste 302	85374	(623) 209-0012	Melashenko, Jason
360	AZ	Tempe	420 W. Warner Rd., Ste 101	85284	(480) 894-8101	Smallwood, Trent
265	CA	Chula Vista	1040 Tierra Del Rey, Ste 211	91910	(619) 656-6785	Safarian, Shahin
267	CA	Greenbrae	1000 S. Eliseo Dr., Ste 202	94904	(415) 461-3141	Zaremski, Eric
268	CA	Irvine	15785 Laguna Canyon Rd., Ste 200	92618	(949) 551-5902	Rice, Scott
344	CA	Ladera Ranch	777 Corporate Dr., Ste 100	92694	(949) 347-5521	Parker, Lincoln
166	CA	Laguna Niguel	30131 Town Center Drive, Ste 220	92677	(949) 770-7686	Gregg, William
434	CA	Laguna Niguel	25500 Rancho Niguel Rd., Ste 230	92677	(949) 643-6733	Snyder, Todd
312	CA	Los Gatos	15951 Los Gatos Blvd., Ste 8	95032	(408) 215-1006	Sawyer, Gregory
361	CA	Los Gatos	15075 Los Gatos Blvd., Ste 100	95032	(408) 356-2049	Kothary, Sapana
278	CA	Mountain View	1040 Grant Rd., Ste 103	94040	(650) 336-1313	Khaleel, Safa
279	CA	Mountain View	1040 Grant Rd, Ste 105	94040	(650) 314-0100	Rutner, Robert
269	CA	Rohnert Park	1330 Medical Center Dr., Ste 1	94928	(707) 585-2555	Sutton, Wayne
266	CA	San Diego	4765 Carmel Mountain Rd., Ste 203	92130	(858) 755-8993	Safarian, Shahin
352	CA	San Diego	3019 Emerson St.	92106	(619) 222-7400	De Rosier, David
362	CA	San Jose	1241 Meridian Ave.	95125	(408) 266-6144	Kothary, Sapana
271	CA	Santa Barbara	1511 State Street	93101	(805) 899-3600	Weiser, Mark
31	CA	Yuba City	933 Shasta Street	95991	(530) 671-1770	Reading, Craig
86	CO	Aurora	941 S. Havana St., Ste 200	80012	(303) 341-5313	Theriot, Roy
116	CO	Boulder	1200 Yarmouth Ave, Unit C-1C	80304	(720) 440-9987	Abrams, Richard
94	CO	Castle Rock	734 Wilcox Street, Ste 200	80109	(303) 257-8237	Kanchanlal, Vikash
224	CO	Castle Rock	1001 S. Perry St., Ste 104A	80104	(303) 883-6148	Rowlette, Michael

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28	CO	Denver	2020 South Parker Rd., Ste. F	80231	(303) 752-2777	Abrams, Richard
222	CO	Denver	999 18th St., Ste 1300	80202	(303) 298-1414	Radz, Gary
443	CO	Denver	1164 Elati St.	80204	(303) 246-0100	Paini, William
212	CO	Foxfield	16350 East Arapahoe Road, Ste 114	80016	(720) 870-0401	Miller, Michael
95	CO	Glendale	400 South Colorado Blvd., Ste 720	80246	(303) 296-8525	Topelson, Ian
381	CO	Lakewood	3190 S. Wadsworth Blvd., Ste 300	80227	(303) 988-6118	Grabiak, Guy
190	CO	Littleton	7621-A Shaffer Pkwy	80127	(303) 972-2224	Caulfield, Jon
368	CO	Littleton	10268 W. Centennial Road, Ste 100	80127	(303) 933-2066	Carreon, LeJon
30	CO	Longmont	1818 Mountain View Ave.	80501	(303) 651-3733	Abrams, Richard
51	CO	Longmont	1818 Mountain View Ave.	80501	(303) 651-3733	Abrams, Richard
88	CO	Pueblo	4104 Outlook Blvd., Ste D138	81008	(719) 543-2271	Sites, Loren
249	CT	Berlin	39 Webster Square Rd.	06037	(860) 828-3933	Maroon, Michael
276	CT	Bethel	76 Stony Hill Rd.	06801	(203) 744-0033	Borello, Nicholas
283	CT	Cromwell	26 Shunpike Road, Ste A	06416	(860) 894-2933	Maroon, Michael
240	CT	Milford	203 Cherry St.	06460	(203) 876-9887	Kostrzewski, Walter
186	FL	Bradenton	815 40th St. West	34205	(941) 896-3915	Fakhouri, lyad
232	FL	Largo	11450 Oakhurst Rd.	33774	(727) 595-4289	Carreiro, James
255	FL	Lutz	1928 Highland Oaks Blvd.	33559	(813) 949-0424	Nelson, Jay
436	FL	Saint Petersburg	1 Progress Plaza, Ste 830	33701	(727) 822-8101	Ferullo, John
219	GA	Alpharetta	4205 North Point Pkwy, Building D	30022	(678) 245-6816	Silverman, Brett
129	GA	Atlanta	1100 Peachtree St. NE, Ste 680	30309	(404) 897-1699	Dunson, Bernee
131	GA	Atlanta	1 Baltimore Place NE, Ste 403	30308	(404) 685-8605	Jones, Trent
137	GA	Atlanta	4840 Roswell Rd. NE, Ste A100	30342	(404) 256-0009	Campbell, III, Wendell
156	GA	Atlanta	2841 Greenbriar Parkway Southwest, Ste 306	30331	(404) 344-5000	Clarke, Gloria
392	GA	Atlanta	1100 Lake Hearn Dr., Ste 440	30342	(404) 255-9080	Flax, Hugh
115	GA	Columbus	7189 Moon Road	31909	(706) 327-3364	Narde, Joseph
151	GA	Columbus	5605-B Princeton Ave.	31904	(706) 323-8811	Adams, Matthew
183	GA	Conyers	1916 Iris Drive SW	30094	(770) 483-4469	Fraser, Jr., Gordon
245	GA	Cumming	1024 Market Place Blvd.	30041	(770) 844-6771	Barden, Page
102	GA	Decatur	3660 Flat Shoals Road, Ste 100	30034	(440) 334-9542	Roberts, Marc
140	GA	Decatur	3300 Memorial Dr., Ste D-3	30032	(404) 289-3060	Brackett, Cassandra
273	GA	Decatur	3653 Flakes Mill Rd., Ste E	30034	(770) 981-3006	Parrish, Anthony
432	GA	Decatur	3069 Clifton Springs Rd.	30034	(770) 593-3426	Lanier-Gregg, Ida
261	GA	Douglasville	6842 Douglas Blvd., Ste K	30135	(770) 949-1005	Hair, Jr., Joe
244	GA	Dunwoody	1719 Mt. Vernon Road	30338	(770) 394-4310	Rodgers, Jeff
165	GA	Kennesaw	2980 Lewis Street NW	30144	(770) 422-1554	Hester, Bruce
184	GA	Lilburn	629 Beaver Ruin Rd, Ste A	30047	(770) 696-4144	Jamison-Rand, Tiffany
414	GA	Lithonia	2998 Turner Hill Road	30038	(404) 289-7311	Buchanan, Brian
433	GA	Lithonia	3035 Panola Rd., Ste A	30038	(770) 593-3426	Lanier-Gregg, Ida
194	GA	Newnan	2819 Highway 34 East	30265	(770) 254-8787	Cheney, III, Charles
121	GA	Palmetto	501 Park Street	30268	(770) 463-4541	Brunson, Jordan
241	GA	Peachtree	403 Highway 74 North, Ste A	30269	(770) 631-3380	Boag, David
233	GA	Riverdale	7557 Highway 85	30274	(770) 996-8772	Jones, Melissa

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113	GA	Smyrna	3246 Atlanta Road SE, Ste B	30080	(770) 432-1344	Lamothe, David
138	GA	Smyrna	4687 South Atlanta Rd. SE, Ste 214	30080	(404) 799-8499	Meadows, Amon
144	GA	Smyrna	4045 Orchard Road SE, Ste 300	30080	(770) 433-0445	Addison, Jr., Clarence
136	GA	Stockbridge	299 Country Club Drive	30281	(770) 506-9818	Vaughn, Sharcola
117	GA	Stone Mountain	5468 Memorial Dr., Ste A	30083	(404) 292-2900	Wilkins, Jawanna
128	GA	Stone Mountain	4687 Rockbridge Road, Ste 7	30083	(404) 296-9070	Jackson, Eric
77	GA	Suwanee	4320 Suwanee Dam Rd., Ste 1800	30024	(770) 932-0290	Clayton, Franklin
168	GA	Suwanee	1325 Satellite Blvd. NW, Ste 1304	30024	(770) 497-9111	Finkel, Robert
122	GA	Zebulon	15988 Barnesville Street	30295	(770) 567-8000	Brunson, Jordan
20	HI	Kailua	970 North Kalaheo Ave., Ste. A 101	96734	(808) 254-2339	Choy, James Joseph
19	HI	Kaneohe	45-1144 Kamehameha Highway, Ste 304	96744	(808) 638-7883	Choy, James Joseph
425	HI	Kaunakakai	28 Kamoi Street, Ste 200	96748	(808) 553-5118	Chung, Boki
369	IA	Cedar Rapids	203 29th Street NE	52402	(319) 365-0529	Shaw, Ian
53	ID	Coeur d'Alene	1322 W. Kathleen Avenue	83815	(208) 667-7461	McVey, Kent
37	ID	Hayden Lake	1683 East Miles Ave.	83835	(208) 772-4066	Wilson, Kory
431	ID	Kellogg	302 E. Cameron Ave.	83837	(208) 786-7031	Byrd, Benjamin Luke
74	ID	Post Falls	609 N. Calgary Ct., Ste 104	83854	(208) 777-1222	Brumbach, Zachary
340	IL	Algonquin	1452 Merchant Dr.	60102	(847) 854-7645	Stirneman, Timothy
388	IL	Chicago	5549 S. Cornell Ave.	60637	(773) 684-5702	Graham, Lou
424	IL	Chicago	1525 E. 53rd St., Ste 734	60615	(773) 643-6006	Kaufman, Louis
426	IL	Evanston	1601 Sherman Ave., Ste 400	60201	(847) 328-1180	Krueger, Robert
257	KS	Marysville	1200 Broadway St.	66508	(785) 562-5529	Hamel, David
235	LA	Lafayette	420 Settlers Trace Blvd.	70508	(337) 234-3551	Soileau, Tony
379	LA	New Iberia	1814 Center St.	70560	(337) 365-1512	Rider, III, Harold
407	LA	Ponchatoula	1160 Highway 51 N.	70454	(985) 386-9936	May, Gregg
250	MA	Worcester	9 Linden St.	01609	(508) 753-3105	Levenson, Stanley
338	MD	Laytonsville	6856 Olney-Laytonsville Rd.	20882	(301) 926-9515	Brush, Sheila
348	MD	West Friendship	12800 Frederick Rd.	21794	(410) 442-2800	Fenlon, Thomas
195	MI	Adrian	1136 Country Club Road, Ste B	49221	(517) 263-9022	Lark, John
130	MI	Jackson	306 West Washington Ave, Ste 205	49201	(517) 787-5055	Slete, Frederic
239	MI	Jackson	2002 Spring Arbor Rd., Ste C	49203	(517) 782-0900	McFerran, Mark
442	MI	Jackson	2500 Spring Arbor Rd.	49203	(517) 787-1022	Davenport, Steven
314	MI	Lansing	1500 W. Saginaw St.	48915	(517) 485-5738	Maxson, Gregory
290	MI	Temperance	8339 Lewis Ave.	48182	(734) 847-1955	Reiner, Debra
213	MI	Utica	45428 Van Dyke Ave.	48317	(586) 731-8338	Fredal, Thomas
367	MN	Bayport	363 5th Ave North	55003	(651) 439-4115	Nelson, Bradley
398	MN	Burnsville	550 W. Burnsville Pkwy, Ste 200	55337	(612) 968-0918	Peterson, Tanya
357	MN	Maplewood	1774 Cope Avenue E., Ste 110	55109	(651) 770-7175	Veneman, Derrick
441	MN	Minneapolis	3201 Johnson St. NE	55418	(612) 781-6568	Clouse, Ryan
415	MN	Minnetonka	17601 Highway 7, Ste 200	55345	(952) 217-5201	Meiser, Holger
363	MN	Owatonna	209 E. Main St.	55060	(507) 455-1641	Smith, Thomas
421	MN	Owatonna	605 Hillcrest Avenue, Ste 230	55060	(507) 451-7250	Holland, Tim
378	MN	Savage	14127 Vernon Ave. South	55378	(952) 440-9303	Zettler, Melissa

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274	MN	St. Paul	770 Mount Curve Blvd.	55116	(651) 699-2822	Malterud, Mark
438	MN	St. Paul	120 N. Snelling Ave.	55104	(651) 645-6111	Killian, Dennis
374	MN	West St. Paul	230 E. Wentworth Ave.	55118	(651) 457-8866	Van Guilder, Christina
353	MO	Arnold	124 Richardson Crossing	63010	(636) 464-6444	Mariscal, Erin
401	MO	Eureka	18 Hilltop Village Center Dr.	63025	(636) 938-6241	Griffin, Jr., Jack
416	MO	Herculaneum	1171 Scenic Drive	63048	(636) 479-6565	Schmieder, Joseph
330	MO	Jefferson City	3551 Amazonas Dr.	65109	(573) 634-2400	Thompson, Michael
380	MO	Jefferson City	3551 Amazonas Dr.	65109	(573) 634-2400	Johnson, Justin
246	MO	St. Louis	1113 Locust Street	63101	(314) 375-5353	Hill, Christopher
391	MO	St. Louis	11225 Tesson Ferry Rd.	63123	(313) 849-1998	Sindelar, Daniel
287	NC	Arden	600 Julian Lane, Ste 610	28704	(828) 684-1633	Port, Forest
293	NC	Charlotte	1618 East Morehead Street, Ste 100	28207	(704) 337-8070	Bowman, Christopher
247	NC	Clyde	78 Nelson St.	28721	(828) 627-9282	Highsmith, John
405	NC	Huntersville	403 Gilead Rd., Ste E	28078	(704) 895-7660	Nash, Ross
251	NJ	Bayonne	90 Avenue B	07002	(201) 436-1100	Vocaturio, Anthony
294	NJ	Chatham	33 Main Street, Ste 101	07928	(973) 635-0626	Atanase, Corina
252	NJ	Colts Neck	317 Route 34 North, Ste 203	07722	(732) 677-2777	Vocaturio, Anthony
231	NJ	Denville	75 Bloomfield Ave., Ste 205	07834	(973) 627-3363	Kimowitz, Adam
335	NJ	Livingston	349 E. Northfield Rd., Ste 112	07039	(732) 530-4020	MacFarlane, Glenn
322	NJ	Red Bank	252 Broad St.	07701	(732) 530-4020	MacFarlane, Glenn
262	NY	Depew	4909 Transit Road, Ste 2	14043	(716) 656-8686	Evola, Lawrence
209	NY	New York	115 Central Park West, Ste 4	10023	(212) 580-1134	Mueller, Theresa
277	NY	New York	24 E. 12th St., Ste 305	10003	(212) 924-0687	Silver, Peter
263	NY	Walden	88 East Main Street	12586	(845) 778-5763	Hale, Timothy
196	OH	Beachwood	24300 Chagrin Blvd., Ste 306	44122	(216) 292-6883	Taub, Yoav
280	OH	Cincinnati	7729 Montgomery Rd., Ste A	45236	(513) 793-1241	Rolfes, Michael
396	OH	Columbus	1080 Polaris Parkway, Ste 130	43240	(614) 430-8990	Ward, Daniel
408	OH	Parma	6731 Ridge Road, Ste 201	44129	(440) 884-6644	Bizga, Timothy
295	OK	Bixby	14617 S. Memorial Dr.	74008	(918) 366-9500	Smith, Lindsay
321	OK	Broken Arrow	1656 N. 9th St.	74012	(918) 893-3414	Holleman, Valerie
406	OK	Coweta	122 E. Chestnut St.	74429	(918) 486-3266	Harwood, Mark
187	OK	Edmond	1745 West 33rd St.	73013	(405) 330-4630	Chandler, Michael
107	OK	Glenpool	301 East 141st Street	74033	(918) 291-9000	White, W. Scott
375	OK	Sapulpa	635 S. Main St.	74066	(918) 224-0369	Carletti, Andrew
139	OK	Tahlequah	206 E. Downing St.	74464	(918) 456-0977	Rouse, Brant
112	OK	Tulsa	4545 S. Harvard Ave.	74135	(918) 749-1850	Wong, David
296	OK	Tulsa	2538 E. 21st St.	74114	(918) 742-6321	Smith, Lindsay
317	OK	Tulsa	9999 S. Mingo Rd., Ste S	74133	(918) 254-8686	Nauman, Angie
355	OK	Tulsa	611 S. Peoria Ave.	74120	(918) 747-6453	Toler, Shannon
376	OK	Tulsa	9671 S. Riverside Parkway	74137	(918) 347-7066	Carletti, Andrew
169	OR	Milton-Freewater	508 East Broadway Avenue	97862	(541) 938-3363	Schroeder, Todd
253	PA	Blue Bell	706 DeKalb Pike	19422	(610) 272-0828	Siegel, Kenneth
334	PA	Butler	291 Evans City Rd.	16001	(724) 282-7774	Todd, Robert

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319	PA	Mount Lebanon	750 Washington Rd., Ste 15	15228	(412) 563-5500	Sultanov, David
320	PA	Pittsburgh	1112 S. Braddock Ave., Ste 101	15218	(412) 242-8500	Sultanov, David
400	SC	Conway	1515 9th Ave.	29526	(843) 248-3848	Horowitz, Jeffrey
323	SC	Myrtle Beach	220 Middleburg Dr.	29579	(843) 903-3111	Holladay, Dustin
50	TN	Brentwood	5111 Maryland Way, Ste. 306	37027	(615) 373-8001	Burton, James
79	TN	Brentwood	5111 Maryland Way, Ste 308	37027	(615) 373-0030	Akin, Bill
216	TN	Brentwood	95 Seaboard Lane, Ste 102	37027	(615) 377-3080	Cregger, Ryan
68	TN	Dickson	320 East College St., Ste A	37055	(615) 740-7645	Gatgens, Ford
64	TN	Fayetteville	420 Rocky Knob Street	37334	(931) 433-5794	McAdams, Maylon
83	TN	Franklin	4085 Mallory Lane, Ste 116	37067	(615) 771-1999	Fogaros, John
397	TN	Franklin	4085 Mallory Lane, Ste 116	37067	(615) 771-1999	Follis, Chad
427	TN	Jackson	47 North Star Dr.	38305	(731) 664-9556	Buchanan, Clint
435	TN	Jackson	2827 Highway 45 Bypass	38305	(731) 644-5533	Pearson, Brian
143	TN	Knoxville	1715 Downtown West Blvd.	37919	(865) 531-1715	Brock, Steven
170	TN	Knoxville	2609 West Adair Drive	37918	(865) 688-1320	Phillips, Jason
191	TN	Madison	231 W. Old Hickory Blvd., Ste A	37115	(615) 865-5750	Kshatri, Rajan
429	TN	McKenzie	594 Main St. North	38201	(731) 352-5561	Nash, Nathan
197	TN	Memphis	1723 Kirby Parkway	38120	(901) 757-9696	Cochran, Jennifer
227	TN	Memphis	266 S. Cleveland St., Ste 103	38104	(901) 728-6515	Edwards, Scott
228	TN	Memphis	6250 Poplar Ave.	38119	(901) 681-0011	Edwards, Scott
430	TN	Milan	2025 S. 1st St.	38358	(731) 686-1151	Nash, Nathan
205	TN	Morristown	1950 W. Morris Blvd.	37814	(423) 586-8144	Kickliter, Matthew
349	TN	Murfreesboro	1820 Memorial Blvd.	37129	(615) 890-0474	Ricafort, Erwin
80	TN	Nashville	2000 21st Avenue South	37212	(615) 385-3334	Akin, Bill
90	TN	Nashville	4515 Harding Pike, Ste 312	37205	(615) 292-4100	Shipp, Phillip
125	TN	Nashville	5505 Edmondson Pike, Ste 201	37211	(615) 331-0402	Otterpohl, Joseph
126	TN	Nashville	5505 Edmondson Pike, Ste 201	37211	(615) 331-0402	Holliday, Jr., H. Douglas
179	TN	Nashville	3817 Bedford Avenue, Ste 110	37215	(615) 298-5948	Gaw, Richard
198	TN	Nashville	4809 Trousdale Dr.	37220	(615) 331-9033	Rushing, Kristin
206	TN	Newport	311 Cosby Highway	37821	(423) 623-6499	Kickliter, Matthew
428	TN	Trenton	2066 US Hwy 45 Bypass South	38382	(731) 855-1053	Buchanan, Clint
69	TN	White House	2823 Highway 31 W South, Ste 300	37188	(615) 672-3774	Vickery, Philip
70	TX	Argyle	100 Country Club Road, Ste 104	76226	(940) 464-4290	Studer, Mark
48	TX	Arlington	912 N. Fielder Rd.	76012	(817) 275-4355	Bangs, Stephanie
142	TX	Arlington	910 W. Mitchell St.	76013	(817) 274-7764	Hamilton, Toni
85	TX	Austin	3818 Spicewood Springs Road, Ste 100	78759	(512) 346-4594	Steinberg, Matthew
103	TX	Austin	11623 Angus Road, Ste 16	78759	(512) 346-5196	Worob, Marc
123	TX	Austin	7002 Manchaca Road	78745	(512) 441-2684	Lyon, Anne
127	TX	Austin	2525 Wallingwood Drive, Building 11	78746	(512) 327-7750	Bell, Michael
300	TX	Austin	5608 Parkcrest Dr., Ste 250	78731	(512) 452-0888	Smith, Glenda
307	TX	Austin	5704 Highway 290 West	78735	(512) 892-2273	Hedgecock, Brandon
329	TX	Austin	3624 North Hills Dr., Ste A-201	78731	(512) 343-1120	Worob, Marc
364	TX	Austin	10740 Research Blvd., Ste 125	78759	(512) 795-9960	Hammons, Travis

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399	TX	Austin	9521 US Hwy 290 W., Ste 103	78737	(713) 893-7615	Broberg, Eric
220	TX	Baytown	3800 N. Main St.	77521	(281) 422-8248	Hutto, Dean
47	TX	Bedford	2213 Harwood Road	76021	(817) 354-9999	Davis, Paul
71	TX	Bedford	1256 Harwood Road	76021	(817) 545-4040	Studer, Mark
199	TX	Bellaire	4914 Bissonnet St., Ste 200	77401	(713) 481-5666	Frazar, Kathy
229	TX	Carrollton	2005 W. Hebron Parkway	75010	(972) 395-0150	Limosnero, Robert
342	TX	Cedar Park	920 N. Vista Ridge Rd., Ste 700	78613	(512) 402-7811	Hedgecock, Brandon
302	TX	Colleyville	4013 Gateway Drive	76013	(817) 858-6333	Calabria, Patricia
98	TX	Dallas	6316 Gaston Avenue	75124	(214) 823-5253	Spillman, J. Travis
101	TX	Dallas	6500 Greenville Ave., Ste 303	75206	(214) 295-9556	Gibbons, Thomas
258	TX	Dallas	17300 Preston Road, Ste 100	75252	(972) 380-6223	Borowski, Victoria
439	TX	Denton	4400 Teasley Lane, Ste 300	76210	(940) 220-5858	Leatherwood, Samantha
55	TX	DeSoto	331 S. Hampton Rd.	75115	(972) 223-8844	Varkey, Praveen
218	TX	Flint	17789 FM 344 West	75762	(903) 825-1112	Morgan, Tad
301	TX	Forney	108 East US Highway 80, Ste 190	75126	(972) 564-7575	Cozby, Melina
54	TX	Fort Worth	3833 Camp Bowie Blvd.	76107	(817) 738-2334	Nelson, Shelby
84	TX	Fort Worth	8409 W. Cleburne Rd.	76123	(817) 292-5927	Avila, Juan
148	TX	Fort Worth	4545 Bellaire Drive South	76109	(817) 294-5513	Altieri, Kevin
217	TX	Fort Worth	1200 Overlook Terrace, Ste C	76112	(817) 451-8855	Tran, Mimi
221	TX	Fort Worth	5601 Bridge St., Ste 480	76112	(817) 457-4078	Jenkins, Jeff
316	TX	Fort Worth	4968 Overton Ridge Blvd.	76132	(817) 263-0181	Lake, Kimberly
395	TX	Fort Worth	6801 McCart Ave., Ste B2	76133	(817) 423-9300	Bolin, Danita
49	TX	Frisco	4851 Legacy Dr., Ste. 201	75034	(972) 335-9313	Osborne, William
106	TX	Frisco	5858 West Main St., Ste 260	75033	(469) 888-4315	Cook, Jeremiah
288	TX	Frisco	7589 Preston Rd., Ste 400	75034	(844) 409-4657	Smith, Kent
325	TX	Frisco	3031 Preston Rd., Ste 500	75034	(214) 436-5122	Grant, Thomas
176	TX	Garland	2221 W Walnut St	75042	(972) 272-3292	Stafford, Saosat
358	TX	Garland	513 West Centerville Road	75041	(972) 840-8477	Musso, Mark
445	TX	Grand Prairie	2701 Osler Drive, Ste 10	75051	(972) 641-2400	Smith, Latonia
59	TX	Houston	15300 Westheimer Rd., Ste 101	77082	(281) 531-5700	Lam, Alice
91	TX	Houston	13146 Memorial Drive	77079	(713) 468-7222	Saab, Xavier
104	TX	Houston	9863 Long Point Road	77055	(713) 468-9490	La, Andrew
145	TX	Houston	3730 Kirby Dr., Ste 815	77098	(713) 528-3384	Arana, Paulette
159	TX	Houston	2525 N. Loop W., Ste 230	77008	(713) 861-7216	Patel, Neela
160	TX	Houston	2226 Bissonnet St.	77005	(713) 522-3600	Latimer, Susan
178	TX	Houston	908 Town & Country Blvd., Ste 220	77024	(713) 465-6665	Hwang, Adrienne
234	TX	Houston	7670 Katy Freeway, Ste 30	77024	(713) 476-0123	Pinckney, Ashley
238	TX	Houston	4005 Broadway St.	77087	(281) 407-8796	Elliott, Jay
346	TX	Houston	9660 Hillcroft St., Ste 300	77096	(713) 784-6855	Farmer, Randy
359	TX	Houston	3010 Philfall St.	77098	(713) 523-5446	Alvarado, Carol
384	TX	Houston	1333 Old Spanish Trail, Ste C	77054	(713) 383-9206	Brown, Ashley
289	TX	Humble	110 South Avenue E	77338	(281) 446-2424	Smith, Ronald
230	TX	Hurst	1716 Chadwick Court	76054	(817) 282-4539	Limosnero, Robert

Office ID	Office State	Office City	Office Address	Office ZIP	Office Phone	Doctor No 1
110	TX	Keller	891 Keller Parkway, Ste 203	76248	(817) 741-7000	Goodyear, Gary
303	TX	Keller	1720 Rufe Snow Drive	76248	(817) 503-0305	Nason, Leslie
343	TX	Keller	1540 Keller Parkway, Ste 140	76248	(682) 593-0993	Jenkins, Jeff
410	TX	Kingwood	2420 North Park Drive	77339	(281) 359-6672	Mosby, Scott
313	TX	League City	3033 Marina Bay Dr., Ste 230	77573	(713) 893-7615	Tieken, J. Derek
385	TX	League City	2750 W. Main St., Ste D	77573	(281) 554-9090	Elliott, Jay
417	TX	Lewisville	850 West Valley Ridge Blvd.	75077	(972) 436-1325	Capehart, Christopher
350	TX	Lindale	408 Eagle Spirit Dr.	75771	(903) 882-6141	Keith, B. Clay
175	TX	McKinney	2300 Virginia Parkway	75071	(979) 575-0406	Standefer, Lauren
146	TX	Midland	6 Desta Drive, Ste 2700	79705	(432) 682-0188	Coulon, Steve
200	TX	Midland	4214 Andrews Highway, Ste 300	79703	(432) 697-3333	Burns, Ashley
201	TX	Midland	3000 N. Garfield St., Ste 200	79705	(432) 683-5313	Coulon, Steve
210	TX	Midland	3001 W. Illinois Ave., Ste 6A	79701	(432) 682-6842	Holman, James
99	TX	Midlothian	800 Silken Crossing, Ste 112	76065	(972) 723-3567	Spillman, J. Travis
236	TX	Missouri City	9119 Highway 6, Ste 260	77459	(281) 778-3200	Sakeena, LaKendra
202	TX	Odessa	8151 Dorado Dr.	79765	(432) 563-5633	Denman, Jeremy
347	TX	Pflugerville	302 N. Heatherwilde Blvd., Ste 100	78660	(512) 252-7645	Gentry, Brenda
100	TX	Plano	5800 Coit Road, Ste 100	75023	(469) 241-9000	McDonald, Edwin
254	TX	Plano	5932 W. Parker Rd., Ste 600	75093	(972) 985-1580	Whitmore, Marcus
327	TX	Plano	5944 West Parker Rd., Ste 500	75093	(972) 943-5944	Barnett, Peter
192	TX	Richmond	26440 FM 1093, Ste 340	77406	(281) 394-7581	Vuong, Rose
383	TX	Richmond	1500 Jackson St., Ste 200	77469	(281) 238-4454	Tran, Denise
356	TX	Rockwall	703 S. Goliad St.	75087	(972) 771-9131	Barnhill, Barney
372	TX	Rockwall	991 E Interstate 30, Ste 103	75087	(972) 722-0022	Courtin, Mary
393	TX	San Antonio	6961 US Highway 87 E	78263	(210) 648-4441	Little, David
444	TX	Seagoville	605 Avalon Dr.	75159	(972) 367-4606	Francom, John
188	TX	Sherman	2112 Monte Cristo Dr.	75092	(903) 892-0593	Gray, Jr., Bill
105	TX	Sugar Land	4645 Highway 6, Ste G	77478	(281) 494-8188	La, Andrew
108	TX	Sugar Land	6350 Highway 90A, Ste 500	77498	(281) 565-8880	Spector, Marc
418	TX	Terrell	407 W. High St.	75160	(469) 410-1656	Osinde, Jr., Eliphas
285	TX	Texarkana	4306 Texas Blvd.	75503	(903) 794-5386	Mashburn, Mark
248	TX	Tyler	921 Shiloh Rd., Ste A-100	75703	(903) 581-1777	Coker, Richard
264	TX	Tyler	110 E. 9th St.	75701	(903) 593-6585	Gillespie, Matthew
281	TX	Tyler	210 E. 5th St.	75701	(903) 597-7721	Burnett, Robert
345	TX	Tyler	510 S. Southwest Loop 323, Ste 140	75702	(903) 592-7111	Platt, Fredrick
394	UT	Provo	966 N. 1760 W	84604	(918) 688-7070	Nicholson, Jason
331	VA	Hampton	2400 Cunningham Dr., Ste 100	23666	(757) 838-8411	Foleck, Adam
332	VA	Norfolk	201 College Place, Ste 111	23510	(757) 623-0283	Foleck, Adam
333	VA	Norfolk	241 Corporate Blvd., Ste 220	23502	(757) 965-7696	Foleck, Adam
132	WA	Bellevue	14030 NE 24th St., Ste 100	98007	(425) 641-3668	Stahl, Gannon
147	WA	Bellevue	14037 Bel Red Rd.	98007	(425) 454-8261	Fong, Brian
182	WA	Bellevue	13333 Bel-Red Road, Ste 200	98005	(425) 644-8445	Chiang, Ryan
223	WA	Bellevue	12737 Bel Red Road, Ste 150	98005	(425) 451-9001	Fletcher, Cory

Office ID	Office State	Office City	Office Address	Office ZIP	Office Phone	Doctor No 1
237	WA	Bellevue	1418 112th Ave NE, Ste 100	98004	(425) 453-1010	Sweeney, Thomas
291	WA	Bellevue	12737 Bel-Red Road, Ste 150	98005	(425) 746-7410	Fletcher, Desiree
390	WA	Bellevue	875 124th Avenue NE, Ste 203	98005	(425) 462-0756	Vanderhoef, Christopher
411	WA	Covington	27081 185th Avenue SE, Ste B105	98042	(253) 981-4950	Hanks, Ryan
286	WA	Ellensburg	2401 W. Dolarway Rd.	98926	(509) 925-6553	Cole, Michael
341	WA	Everett	3125 Colby Ave., Ste D	98201	(425) 259-4159	Eggenberger, Heather
324	WA	Kenmore	5723 NE Bothell Way, Ste C & D	98028	(425) 486-9111	Gottlieb, Robert
419	WA	Kenmore	5723 NE Bothell Way, Ste A	98028	(206) 525-2813	Santorsola, Anthony
365	WA	Lacey	5201 Corporate Center Ct., SE	98503	(360) 459-4420	Peterson, Venn
42	WA	Liberty Lake	22910 East Appleway Ave.	99019	(509) 927-9279	Casey, Timothy
226	WA	Lynnwood	3400 188th St. SW, Ste 170	98037	(425) 771-8861	Shumaker, John
57	WA	Lynnwood	19020 33rd Ave. W., Ste. 200	98036	(425) 771-2022	Goodwin, Norman
189	WA	Marysville	7825 47th Ave. NE, Ste B	98270	(360) 659-1223	Hixson, John
275	WA	McCleary	330 S. Birch St.	98557	(360) 495-3666	Arima, Donald
162	WA	Olympia	2006 Caton Way SW	98502	(360) 357-4505	Bode, William
371	WA	Olympia	3000 Harrison Ave. NW	98502	(360) 357-6363	Winter, Kyle
373	WA	Port Townsend	835 Jefferson St.	98368	(360) 385-1140	Cunnington, James
135	WA	Puyallup	13613 Meridian Ave. East, Ste 180	98373	(253) 845-3000	Walia, Kunal
412	WA	Puyallup	8012 112th St. Court East, Ste 160	98373	(253) 840-0789	Hanks, Ryan
304	WA	Redmond	16701 Cleveland Street, Ste 200	98052	(425) 883-4099	Frost, Daniel
75	WA	Renton	115 Pelly Avenue North	98057	(425) 226-3192	Varadi, Daniel
134	WA	Renton	14300 S.E. Petrovitsky Rd.	98058	(425) 226-2348	Lockett, Steven
203	WA	Renton	10915 SE 176th St.	98055	(425) 652-7233	Chen, Lan Alice
65	WA	Seattle	10254 16th Avenue SW	98146	(206) 762-2573	Brenner, Bryan
155	WA	Seattle	215 1st Avenue West, Ste 100	98119	(206) 258-4965	Brenner, Bryan
440	WA	Seattle	509 Olive Way, Ste 111	98101	(206) 622-5661	Sohn, Annie
377	WA	Shelton	1051 SE State Route 3	98584	(360) 426-1676	Hackney, Travis
93	WA	Shoreline	19500 Ballinger Way NE	98155	(206) 362-5400	Feasel, Robert
208	WA	Shoreline	1359 N. 205th St.	98133	(206) 533-9693	Brenner, Jordan
310	WA	Snoqualmie	8026 Douglas Ave. SE	98065	(425) 831-1790	Calderwood, Carson
34	WA	Spokane	6817 North Cedar Rd., Ste. 201	99208	(509) 326-8170	Englund, Ola
52	WA	Spokane	1520 W. Garland Ave. #A	99205	(509) 328-9787	Frahm, Gregory
72	WA	Spokane	1424 South Bernard St	99203	(509) 624-5590	Ganji, Amir
73	WA	Spokane	9671 North Nevada Street	99218	(509) 468-4040	Hill, Bryan
133	WA	Spokane	3018 N Argonne Rd.	99212	(509) 928-5444	Jensen, Mark
141	WA	Spokane	2807 S. Stone St., Ste. 201	99223	(509) 838-6261	Shern, Bradley
180	WA	Spokane	6817 N. Cedar Rd., Ste 101	99208	(509) 325-0233	Smith, Mary
337	WA	Spokane	2204 E. 29th Ave. Ste 208	99203	(509) 342-7652	Fawson, Paul
413	WA	Spokane	510 East Hastings Road, Ste A	99218	(509) 467-0755	Woodward, Mark
66	WA	Spokane Valley	1215 N. McDonald Rd., Ste. 203	99216	(509) 924-2866	Ellingsen, Eric
82	WA	Spokane Valley	1215 N. McDonald Rd., Ste 203	99216	(509) 928-8400	Henneberg, Jeffrey
318	WA	Spokane Valley	12121 E. Broadway Ave., Ste 4	99206	(509) 926-6261	Conway, Joshua
76	WA	Tacoma	102 131st Street South	98444	(253) 531-1954	Morris, Ward

Office ID	Office State	Office City	Office Address	Office ZIP	Office Phone	Doctor No 1
177	WA	Tacoma	1628 S. Mildred St., Ste 206	98465	(253) 460-1800	Baer, Theodore
339	WA	Tacoma	6004 Westgate Blvd., Ste 210	98406	(253) 752-6630	Giesy, Michael
256	WA	Tukwila	7100 Fort Dent Way, Ste 270	98188	(206) 241-5533	Timmerman, Lance
370	WA	Tumwater	115 Cleveland Ave. SE	98501	(360) 352-2781	Gundersen, Arne
437	WA	Walla Walla	1750 Portland Ave.	99362	(509) 525-2787	Karmy, Steven
58	WA	Wilbur	5 SW Railroad Ave.	99185	(509) 647-5681	Harris, A. James
422	WA	Woodinville	17705 140th Ave. NE, Ste. A14/16	98072	(425) 947-2727	Chiang, Evan
402	WA	Yakima	307 S. 11th Ave.	98902	(509) 388-2456	McDevitt, Shawn
309	WI	Milwaukee	8860 North 60th St.	53223	(414) 355-0213	Levine, Paul
366	WI	St. Croix Falls	731 Maple Dr.	54024	(715) 483-9705	Veneman, Derrick
328	WI	Weyauwega	417 East Ann St.	54983	(920) 867-3101	Twohig, William

Exhibit I

List of Franchises That Left the Network During 2015

Status Codes: NR = Nonrenewal OS = Office Sold T = Termination OC = Office Closed
R = Rescission Opt-Out = 12 Month Opt-Out ACE = ACE Opt-Out

Doctors		City	State	Phone	Status
Ingram, William		Huntsville	AL	(256) 883-7832	Opt-Out
Jackson, Neall		Wynne	AR	(870) 238-3628	OS
Goodman, Ashley		San Diego	CA	(619) 697-6677	ACE Opt-Out
Hahn, Christopher		Denver	CO	(303) 770-8141	Opt-Out
Hoffman, Howard		Aventura	FL	(305) 933-3070	ACE Opt-Out
Fakhouri, Iyad		Sarasota	FL	(941) 921-7227	OS
Boulden, Peter	Estep, Susan	Atlanta	GA	(404) 816-2230	ACE Opt-Out
Helton, Brett		Columbus	GA	(706) 563-3225	Opt-Out
Tully, Phillip		Columbus	GA	(706) 323-6491	Opt-Out
Brown, Geoffrey		Decatur	GA	(770) 987-4077	OC
Boulden, Peter	Estep, Susan	Roswell	GA	(770) 998-3838	ACE Opt-Out
Arnold, James		Chesterton	IN	(219) 898-4193	R
Ritchey, H. Grant		Tonganoxie	KS	(913) 845-3231	ACE Opt-Out
Carroll, Patrick		Louisville	KY	(502) 423-7868	ACE Opt-Out
Balaze, Brian		Lapeer	MI	(810) 664-6962	Opt-Out
Carter, Richard		Maple Grove	MN	(763) 416-0606	ACE Opt-Out
Ochoa, Stacy		Imperial	MO	(636) 461-2255	T
Greenberg, William		Mt. Holly	NJ	(609) 261-2928	ACE Opt-Out
Howarth, Kevin	Bingham, Seth	Tulsa	OK	(918) 492-7010	OS
Howarth, Kevin	Bingham, Seth	Tulsa	OK	(918) 481-4925	Opt-Out
Hart, Matt		Columbia	TN	(931) 381-5282	OS
Kimes, Trisha	Latiolias, Niki	Austin	TX	(512) 263-8500	Opt-Out
Larson, Rick		Coppell	TX	(972) 304-0489	Opt-Out
Hildebrand, Sloan		Dallas	TX	(972) 931-0681	Opt-Out
Hill, Benjamin		Gainesville	TX	(940) 665-1571	T
Smith, Kent	Roy, Jeffrey	Irving	TX	(972) 255-3712	ACE Opt-Out
Sizemore, Charles		Plano	TX	(972) 491-1434	T
Hanson, Lowell		Bellingham	WA	(360) 676-8200	ACE Opt-Out
Haley, Parker		Bellingham	WA	(360) 734-6190	Opt-Out
Kemper, James		Seattle	WA	(206) 367-3700	OS
Jacobsen, Elizabeth	Shaw, Elizabeth	Seattle	WA	(206) 381-0732	Opt-Out
Hill, James		Madison	WI	(608) 240-1001	ACE Opt-Out

EXHIBIT J

ADDITIONAL STATE-REQUIRED DISCLOSURES

We are required to provide you with additional information as a condition of registering our franchise offering in certain states. The additional disclosures are set out below. These additional disclosures apply only if the jurisdictional requirements of the applicable state franchise law are met. We do not, by including these additional disclosures, waive the right to challenge the applicability of any state requirement in a dispute.

INFORMATION REQUIRED BY THE STATE OF CALIFORNIA

The following information is added to the disclosure document for California residents:

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. Neither the franchisor, nor any person or franchise broker identified 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 such person or persons from membership in such association or exchange.

3. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

5. The franchise agreement requires binding arbitration. The arbitration will occur at Houston, Texas with the costs borne according to the Rules for Commercial Arbitration of the American Arbitration Association.

6. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

7. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

8. YOU MUST SIGN A GENERAL RELEASE OF CLAIMS IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

9. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF THE DEPARTMENT OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

10. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT

INFORMATION REQUIRED BY THE STATE OF HAWAII

The following information is added to the disclosure document for Hawaii residents:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

The name and address of the agent in this state authorized to receive service of process on our behalf is Director of Department of Commerce and Consumer Affairs, 335 Merchant Street, 2nd Floor, Honolulu, Hawaii 96813.

INFORMATION REQUIRED BY THE STATE OF ILLINOIS

The following is added to the disclosure document for Illinois residents:

Cover Page, Additional Disclosures.

THE GOVERNING LAW, VENUE AND JURISDICTION REQUIREMENTS IN THE DISCLOSURE DOCUMENT AND IN THE FRANCHISE AGREEMENT ARE SUBJECT TO THE PROVISIONS OF THE ILLINOIS FRANCHISE DISCLOSURE ACT, AND NOTHING IN THESE DOCUMENTS SHALL BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON YOU BY THE ILLINOIS FRANCHISE DISCLOSURE ACT.

Item 17. Additional Disclosures.

The conditions under which the Franchise Agreement can be terminated and your rights upon non-renewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Pursuant to Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement that designates jurisdiction or venue for litigation in a forum outside of Illinois is void. In addition, Illinois law will govern any claim arising under the Illinois Franchise Disclosure Act Franchise Disclosure Act.

INFORMATION REQUIRED BY THE STATE OF MARYLAND

The following is added to the disclosure document for Maryland residents:

Item 17. Additional Disclosures

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 101 *et seq.*).

The Franchise Agreement requires the franchisee to sign a release as a condition of renewal or transfer of the franchise. This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

A franchisee may 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 three (3) years after the grant of the franchise.

INFORMATION REQUIRED BY THE STATE OF MICHIGAN

The following is added to the disclosure document for Michigan residents:

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 assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law. 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. **[Note: The Franchisor reserves the right to challenge this requirement of Michigan law, as it applies to arbitration under the Federal Arbitration Act]**

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

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

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

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

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

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

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

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

Any questions regarding this Notice shall be directed to the Department of Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913 (517) 373-7117.

INFORMATION REQUIRED BY THE STATE OF MINNESOTA

The following is added to the disclosure document for Minnesota residents:

Item 13. Additional Disclosure.

We will indemnify you against liability to a third party resulting from claims that your use of the Names and Marks infringes trademark rights of the third party, provided that your use of the Names and Marks is in accordance with the requirements of the Franchise Agreement and the System.

Item 17. Additional Disclosures.

We will comply with Minnesota Statutes Section 80C.14, subdivisions 3, 4, and 5 which 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 for non-renewal of the Franchise Agreement.

Minnesota Statutes § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring you to waive your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes §§ 80C.01 - 80C.22.

Minnesota Rule 2860.4400J prohibits us from requiring you to waive your rights to a trial or to consent to liquidated damages, termination penalties, or judgment notes. This rule does not bar a voluntary arbitration of any matter if the proceeding is conducted by an independent tribunal under the rules of the American Arbitration Association.

INFORMATION REQUIRED BY THE STATE OF NEW YORK

The following is added to the disclosure document for New York residents:

Cover page. Additional Disclosures

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

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 SET FORTH IN THIS PROSPECTUS.

FRANCHISOR REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT.

Item 3. Additional Disclosures

Except as described in Item 3:

1. Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademarks, has any administrative, criminal, or a material civil or arbitration action pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations.

2. Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademarks, has been convicted of a felony or pleaded nolo contendere to any other felony charge or, during the ten-year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to any misdemeanor charge or been found liable in an arbitration proceeding or a civil action by final judgment, or been the subject of any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge, civil action, complaint, or other such proceeding involved a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegation.

3. Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademarks, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934,

suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Item 4. Additional Disclosure

Except as described in Item 4:

Neither we, nor any of our predecessors, affiliates, officers, or general partners, during the 10-year period immediately before the date of the disclosure document: (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 one year after the officer or general partner held this position in the company or partnership.

Item 17, Additional Disclosures.

In addition to the provisions described in Item 17.d, you may also terminate the Franchise Agreement on any grounds available by law.

The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Franchise Agreement inconsistent with that law.

You must sign a release if you transfer the franchise. This provision may not be enforceable under New York law.

Additional Information

There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if the franchisee is domiciled in or if the franchise will be opened in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

INFORMATION REQUIRED BY THE STATE OF NORTH DAKOTA

The following information is added to the disclosure document for North Dakota residents:

1. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C, without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

INFORMATION REQUIRED BY THE STATE OF RHODE ISLAND

The following is added to the disclosure document for Rhode Island residents:

Item 17. Additional Disclosure

§ 19-28.1-14 of the Rhode Island Franchise Investment Act states: "A provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

INFORMATION REQUIRED BY THE STATE OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Vision Source L.P. for use in the Commonwealth of Virginia shall be amended as follows:

Item 17. Additional Disclosure. The following statements are added to Item 17.h.

Under 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 grounds 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.

INFORMATION REQUIRED BY THE STATE OF WASHINGTON

The following is added to the disclosure document for Washington residents:

Item 17. Additional Disclosures.

The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with us, including the areas 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 areas of termination and renewal of your franchise.

In the event of a conflict of laws between the Washington Franchise Investment Protection Act and the law chosen in the Franchise Agreement, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

A release or waiver of rights executed by a Vision Source franchisee will not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those that 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.

Transfer fees are collectable to the extent that they reflect Vision Source's reasonable estimated or actual costs in effecting a transfer.

RECEIPT FOR SMILE SOURCE® DISCLOSURE DOCUMENT
(Your copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Smile Source 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.

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

The franchisor is Smile Source, L.P., located at 23824 Highway 59 North, Kingwood, Texas 77339. Its telephone number is (281) 359-2344.

Issuance date: April 6, 2016

The franchise seller for this offering is: _____
Name Smile Source Title

Address _____ Phone _____

Smile Source authorizes the respective state agencies identified on Exhibit B to receive service of process for it in the particular state.

I received a disclosure document dated April 6, 2016 that included the following Exhibits:

- | | |
|---|--|
| A State Franchise Law Administrators | E-2 Addendum to Franchise Agreement |
| B Agents for Service of Process | E-3 Franchisor Consent and Subordination Agreement |
| C Audited Financials as of December 31, 2014 and 2013 | F Personal Guaranty of Franchise Agreement |
| D-1 Audited Financials as of December 31, 2015 | G Nondisclosure Agreement to Protect Release of Confidential Information |
| D-2 Audited Financials as of March 31, 2016 | H Franchisees as of December 31, 2015 |
| D-3 Guaranty of Performance | I Franchisees That Left the Network During 2015 |
| E-1 Franchise Agreement | J Additional State-Required Information |

Date: _____
(Do not leave blank)

Signed: _____
Printed Name: _____
Address: _____
City/ State/Zip Code: _____
Telephone No.: _____
Fax No.: _____
Email Address: _____

You may return the signed and dated receipt to Smile Source either by mail to 23824 Highway 59 North, Kingwood, Texas 77339 or by facsimile machine to (888) 680-7828. This signed Receipt, when transmitted to Smile Source by facsimile machine, is considered to have the same binding effect as an original signature on an original document.

RECEIPT FOR SMILE SOURCE® DISCLOSURE DOCUMENT
(Our copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Smile Source 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.

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

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Issuance date: April 6, 2016

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