FRANCHISE DISCLOSURE DOCUMENT

FLOSS, LLC
a Texas limited liability company
15921 City Walk
Sugar Land, Texas 77479
888-998-2860
www.flossdental.com

You will operate a high-tech dental practice in an upscale environment while providing a full range of dental services, including cosmetic dentistry, by utilizing the newest technology along with our non-clinical/non-dental methods of operation under the trade name and trademark FLOSS® ("Office"). Any clinical or dental related methods must be provided solely through independent licensed dentists not affiliated with us.

The total investment necessary to begin operation of a single FLOSS® Office ranges from $491,000 to $712,750. This includes $40,000 to $51,750 that must be paid to the franchisor or affiliate. You should expect to incur these expenses for each franchise you develop if you acquire development rights under our area development program.

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 payments to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Damien A. Morales at 15921 City Walk, Sugar Land, Texas 77479 or 888-998-2860.

The terms of your contract will govern your franchise relationship. Do not 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 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: March 25, 2021 ~~(as amended July 21, 2021)~~

HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only FLOSS business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a FLOSS franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own state.

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

FLOSS, LLC
FRANCHISE DISCLOSURE DOCUMENT

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Exhibit A – Franchise Agreement and all Attachments
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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, "we", "us" or "our" means FLOSS, LLC, the franchisor. "You" means the business entity, person or persons who sign the Franchise Agreement, the franchisee. If the franchisee is a corporation, limited liability company, or other entity, the term "you" does not include the entity's principals unless otherwise stated.

The Franchisor, and Any Parents, Predecessors and Affiliates

We are a Texas limited liability company and only do business under our entity name and our Marks. Our principal business address is 15921 City Walk, Sugar Land, Texas 77479. Our agents for service of process are listed in Exhibit G of this Disclosure Document.

We have been offering franchises of the type described in this Disclosure Document since 2020 and have never offered franchises or licenses in any other line of business. We have no parent company nor any predecessors. We do not engage in any other business activities. We have never offered franchises in any other lines of business. Each of our affiliates share our principal business address.

Our affiliate, FLOSS Global, LLC, a Texas limited liability company, owns the Marks and licenses them to us as further described in Item 13. Its principal address is the same as ours. It has never offered franchises in this or any other lines of business.

We do not operate businesses of the type being franchised, however two of our officers, Dr. Tran and Dr. Patel, operated FLOSS offices via their respective entities as described in Item 20.

The Franchise Offered

We grant franchises for the operation of a high-tech dental practice in an upscale environment ("Office") featuring a full range of dental services, including cosmetic dentistry, by utilizing the newest technology along with our non-clinical/non-dental methods of operation under the trade name and trademark FLOSS® and other trademarks, service marks, logos, and catch phrases ("Marks"). We only offer the FLOSS® franchise to professional dental practices ("Practice"). Patient care, clinical services, and dental services are determined solely by the dentist providing the services.

Our proprietary business format and system ("System") includes distinctive interior and exterior design, decor, color scheme, graphics, fixtures and furnishings, operation, and customer service standards and procedures, advertising and marketing specifications and requirements, and other standards, specifications, techniques, and procedures that we designate for developing, operating, and managing a FLOSS® Office, all of which we may change, improve, and further develop, except that we do not designate patient care, clinical services, and dental services offered to or performed on each patient.

A typical Office is located in or adjacent to an upscale strip center or lifestyle center, end cap, inline, or freestanding along highly visible major freeways and retail corridors, and ranges between 1,600 to 2,200 square feet with 10 or more parking spaces. You will operate the Office according to our standard franchise agreement (see Exhibit A) and our Standards, specifications, policies, and procedures, which will be communicated to you via our confidential operations manuals and other written directives (collectively, "Manuals").

If we approve your application to develop multiple Offices, you will sign our current Area Development Agreement (see Exhibit B) for the development of a minimum of three Offices. The Area Development Agreement will state the agreed upon total number of Offices to be developed and will establish a development timetable ("Development Schedule"). Each Office developed under the Area Development Agreement will operate according to a separate Franchise Agreement. Your first Office will operate according to the terms of our current Franchise Agreement (see Exhibit A). Your second Office and each additional Office developed under the Area Development Agreement will operate according to the terms

of the Franchise Agreement then being offered to new franchisees, which may be materially different than our current Franchise Agreement.

Market and Competition

A FLOSS® dental practice provides general dental services/dentistry as well as cosmetic dentistry. The market for dental services is well developed, highly competitive, and is not seasonal. You will be competing with other licensed dentists. You are not restricted to the provision of services to any particular group of customers or patients. Your customer and patient base will be the general public.

Special Industry Regulation

A number of states and local jurisdictions have enacted laws, rules, regulations, and ordinances which may apply to the operation of your Office, including those which: (1) establish licensing and certification requirements for businesses in general, (2) establish general standards, specifications, and requirements for the construction, design, and maintenance of the Office location; (3) regulate matters affecting the health, safety, and welfare of your patients, such as general health and sanitation requirements for Offices; (4) set standards pertaining to employee health and safety; (5) set standards and requirements for fire safety and general emergency preparedness, and (6) regulate the proper use, storage, and disposal of waste and other hazardous materials. We recommend you consult with legal counsel or other professional advisors to help you investigate and understand these laws before you purchase a franchise.

The practice of dentistry is a highly regulated profession. Each state has its own set of laws regarding licensure, patient records, and the provision of dental services. Additionally, there are a number of federal and state laws, such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health (HITECH), Federal Anti-Referral Law and regulations promulgated pursuant to that law (i.e., Stark II) and the Medicare and Medicaid laws that will govern your operations as a franchisee. It is your sole responsibility, on an ongoing basis, to investigate, satisfy, and comply with all laws applicable to your dental practice, including all employment, worker's compensation, insurance, corporate, tax, and similar laws and regulations, as well as federal, state, and local laws and regulations that apply generally to all businesses. You must pay your employees in compliance with federal and state wage and hour laws. Because these laws vary from place to place, can change over time, and may affect the operation of your business, we encourage you to make additional inquiries into those laws and regulations, and you should obtain the assistance of legal counsel in that regard. It is your responsibility to thoroughly investigate which regulations and/or licensing requirements your state imposes.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer: Michael Tran, DDS

Dr. Michael Tran has served as our Chief Executive officer since 2020. Dr. Tran has served as CEO for our affiliate, FLOSS Unlimited, LLC, in Houston, Texas since 2018. Dr. Tran graduated from Howard University College of Dentistry in Washington, D.C. in 2015. He then completed his Advanced Education in General Dentistry (AEGD) at UT Houston Dental branch in 2016. Dr. Tran was an associate at the FLOSS Dental office in Magnolia, Texas for the rest of 2016 and then became an owner of the FLOSS Dental office in Magnolia in January of 2017. Later that year in 2017, Dr. Tran opened his second FLOSS Dental office in Midtown Houston, Texas. He has been recognized as a faculty member of Hiossen® Implants since 2019, traveling around the world to teach young doctors about dental implants.

President and Director of Franchise Development: Damien A. Morales

Mr. Morales has served as our President and Director of Franchise Development since 2020. He has served as President for our affiliate, FLOSS Unlimited, LLC, in Houston since 2018. Mr. Morales has

served as an independent franchise consultant for FLOSS Dental since 2014.

Chief Financial Officer: Minesh Patel, DDS

Dr. Minesh Patel has served as our Chief Financial Officer in Sugar Land, Texas since 2020. Dr. Patel has served as CFO for our affiliate, FLOSS Unlimited, LLC, in Houston since 2018. Dr. Patel has been a practicing dentist and owner of FLOSS Dental in Sugarland, Texas since 2013.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

Initial Franchise Fee

When you sign the Franchise Agreement, you will pay us an Initial Franchise Fee. Your Initial Franchise Fee for a single Office is $35,000. The Initial Franchise Fee is considered fully earned and nonrefundable upon payment.

Initial Franchise Fees for Area Development

If we grant you multi-unit development rights, for a minimum of three FLOSS® Offices, you will sign our current Area Development Agreement ("ADA"). The Initial Franchise Fee for the first franchise purchased under an ADA is $35,000, the Initial Franchise Fee is discounted to $25,000 each for franchise numbers two through four, and it is discounted to $20,000 for franchises numbers five and beyond. Upon signing the ADA, you will pay 100% of Initial Franchise Fee for the first franchise and 50% of the Initial Franchise Fees for each additional franchise. You will pay the 50% unpaid balance of each Initial Franchise Fee for each additional franchise upon the first to occur of the following: (1) execution of each Franchise Agreement for each additional franchise, or (2) execution of each commercial lease (or real property purchase) for each relevant Office. The Initial Franchise Fees for area developers are considered fully earned and nonrefundable upon payment.

Site Selection Assistance

If we deem it necessary, we will require you to use the services of a commercial realtor designated by us, and if so, you agree to work with the realtor and directly pay the agent's fee. Otherwise, before you select a site for your Office, at your request, and/or if we determine it necessary, our representative will visit you one time, without charge, to either assist you in finding a suitable site or to evaluate sites that you have identified. If you request additional site visits or assistance, or if we believe additional site visits or assistance are necessary, you must pay us $500 per additional site visit and reimburse us our out-of-pocket expenses that we incur in providing the assistance, including costs of transportation, lodging, and meals.

Construction Oversight Assistance

At your request, and/or if we determine it necessary, our representative will visit you one time, without charge, to evaluate the on-going construction of the Office. If you request additional construction site visits or assistance, or if we believe additional construction site visits or assistance are necessary, you must pay us $500 per additional construction site visit and reimburse us our out-of-pocket expenses that we incur in providing the assistance, including costs of transportation, lodging, and meals.

Pre-Opening and Opening Assistance

If we determine at our discretion that such assistance is necessary, we will provide one or two trained representatives to provide on-site, pre-opening and opening training, supervision, and assistance to you for up to two days immediately prior to opening based upon our assessment of your needs in connection with the opening of your Office. There is no additional fee for such assistance, but you must pay for the hourly wages, costs of travel, lodging, and per diem of up to two trainers. We estimate that the costs for the training will range from $5,000 to $10,000. Upon payment, these costs are not refundable.

General Contractor Approval Fee

If you ask us to approve a general contractor not on our list of approved contractors, we may require that you pay us a $5,000 processing fee for our cost in determining whether the contractor is qualified. The general contractor approval fee is applied uniformly and is not refundable upon payment.

Site Evaluation Software Fee

If you utilize site services outside of our standard process, before we approve the site you have selected, we may require you to have the site evaluated by site evaluation software that has been developed by or for us. Use of this software will require that you enter into a software license fee and pay for the cost of the reports generated by the software. We may require that you pay us $500 for each site evaluated by the software. The site evaluation software fee is applied uniformly and is not refundable upon payment.

Audio/Visual Installer Approval Fee

If you ask us to approve an audio/visual equipment provider and/or installer who is not on our list of approved suppliers, we may require you to pay us an additional $250 fee for review of the audio/visual equipment provider and/or installer that you submit for our qualification. Upon payment, the Audio/Visual Installer Approval Fee is not refundable.

ITEM 6
OTHER FEES

Franchise Agreement

Type of Fee[1]	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Collections	Monthly, currently the 20th of the month	See Note 2 for the definition of Gross Collections.
Local Advertising	At least $10,000 per month during each of the first 6 months of operations, and at least $5,000 per month thereafter	Monthly local advertising requirement must be spent before	At our election, we may require you to: (a) spend the Local Advertising amount in your local market to promote the Office; or (b) pay such amounts to us, to be spend on approved advertising

Type of Fee[1]	Amount	Due Date	Remarks
		the end of each month	and marketing campaigns in your market area; or (c) do a combination of both (a) and (b).
Mandatory or Optional Courses, Seminars, and Other Training Programs	We do not charge a fee for these additional training courses; however you must pay all attendance related travel, lodging, dining costs, and wages for you, your owner(s), and your Office Manager.	Before program	If we make such programs mandatory, then you, your owner(s), and/or your Office Manager must attend (as we will designate).
Additional Training and Assistance Requested By You	Our then-current training fee, currently $300 per day for each individual providing assistance, plus reimbursement or advance payment of our travel, lodging and dining costs.	Before assistance	You may request additional training and assistance. Such training and assistance are subject to our availability. The $300 per day fee is payable to us before we send our personnel to your Office. We are not required to provide more than seven days of additional on-site training assistance within any rolling 12-month period.
Mandatory On-Site Training for Non-Compliance	Our then-current training fee, currently $300 per day for each individual providing such mandatory on-site training, plus reimbursement or advance payment of our travel, lodging and dining costs.	Before training	We may, at our option, send our personnel to your Office to provide mandatory training if you have failed to comply with our standards and specifications or have failed one or more quality inspections.
Expense Reimbursement	Varies	Within 15 days of receipt of invoice	
Supplier Approval Fee	Cost of inspection	Upon demand	You may recommend suppliers to us at any time; however you must pay our reasonable costs and expenses if you request us to inspect and evaluate a proposed supplier.
Transfer Fee – (payable if you are an individual	Reimbursement of our related costs, including	Before	See Item 17 for more

Type of Fee[1]	Amount	Due Date	Remarks
transferring to a Business Entity for convenience of operation)	reasonable attorneys' fees	transfer	information about restrictions and conditions of transfer.
Transfer Fee – (payable if your Owners are transferring among themselves or transferring a minority ownership interest to one or more third parties)	$2,500, plus reimbursement of our related costs, including reasonable attorneys' fees	Before transfer	See Item 17 for more information about restrictions and conditions of transfer.
Transfer Fee - (payable if you are assigning your interest in the Franchise Agreement, transferring all or substantially all of the assets of the Franchised Business, or your Owners are transferring a controlling interest)	50% of our then-current initial franchise fee, plus reimbursement of our related costs, including reasonable attorneys' fees	Before transfer	See Item 17 for more information about restrictions and conditions of transfer.
Extended Term Fee	$1,000 per year added to remaining term assumed by transferee (not to exceed an initial term of 10 years)	When transferee signs their franchise agreement	Upon transfer, transferee must assume the remaining term on your franchise agreement and may, at their option, purchase additional years for the Extended Term Fee, not to exceed an initial term of 10 years. See Item 17 for more information regarding transfers.
Renewal Fee	$10,000	When you sign the new franchise agreement	See Item 17 for more information regarding renewal.
Audit	Amount disclosed in the audit, plus our costs to conduct the audit	Upon demand	If an audit discloses an underpayment of the Royalty Fee due to us of 2% or more, you must pay us the amount in error plus our costs and expenses for the audit.
Late Charge	$150 for each delinquent report or payment	Upon demand	Payable only if any sums due us are not paid promptly when due.
Interest	1.5% per month or maximum lawful rate	Upon demand	We may charge interest on all overdue amounts.
Charge for Nonpayment Due to "Insufficient	$50 (which we can increase annually by an	Upon demand	Payable only if any check, draft, electronic or other payment is

Type of Fee[1]	Amount	Due Date	Remarks
Funds"	amount not to exceed 10% of our previously-published fee) plus reimbursement of our costs and expenses from your non-payment.		unpaid because of insufficient funds or otherwise.
Public Offer of Securities	Our costs and expenses associated with reviewing the proposed offer	Before the offering	No offering shall imply in any manner whatsoever that we are participating in an underwriting, issuance, or offering of your securities.
Costs and Attorneys' Fees	Actual fees incurred	Payable as incurred	You must reimburse us for our expenses in enforcing or terminating the Agreements.
Indemnification	Amount of loss suffered	Upon demand	You must reimburse and pay our attorneys' fees and related costs if we are held liable for claims from your operation of the Office.
Holdover Amounts	125% of Royalty Fee and Marketing Fee	Monthly	Due if you continue operating the Office after your Franchise Agreement expires.

Area Development Agreement

Type of Fee	Amount	Due Date	Remarks
Transfer Fee (payable if you are an individual transferring to a business entity for convenience of operations)	Reimbursement of our related costs, including reasonable attorneys' fees	With transfer application	See Item 17 for more information about conditions on transfer.
Transfer Fee (payable if your Owners are transferring among themselves or transferring a minority ownership interest to one or more third parties)	$2,500, plus reimbursement of our related costs, including reasonable attorneys' fees	With transfer application	See Item 17 for more information about restrictions and conditions of transfer.

Type of Fee	Amount	Due Date	Remarks
Transfer Fee (payable if you are assigning your interest in the Area Development Agreement, transferring all or substantially all of the assets of any developed Office, or your Owners are transferring a controlling interest)	$20,000 plus reimbursement of our related costs, including reasonable attorneys' fees	Before transfer	See Item 17 for more information about restrictions and conditions of transfer.

Notes:

Note 1. Unless otherwise noted, all fees are payable to us and are uniformly imposed and non-refundable.

Note 2. "Gross Collections" means the aggregate of: (1) all revenue from the sale of products and services, whether made for cash, on credit, or otherwise, without reserve or deduction for inability or failure to collect, that you, in the normal course of your operations would credit or attribute to the operation of a FLOSS® Office; (2) all monies, trade value, or other things of value that you receive from Office operations at, in, or from the Office premises that are not expressly excluded from Gross Collections; and (3) business interruption insurance proceeds. Gross Collections do not include: (a) the exchange of merchandise between FLOSS® Offices (if you operate multiple Offices) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Office premises; (b) returns to shippers, vendors, or manufacturers; (c) sales of fixtures or furniture after being used in the conduct of the Franchised Business; (d) cash or credit refunds for transactions included within Gross Collections (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); (e) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (i) added to the selling price or absorbed therein and (ii) paid to the taxing authority by you. Customer refunds may be deducted from Gross Collections if the charge was previously included in Gross Collections.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT[8]	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	$35,000	Lump sum	When Franchise Agreement is signed	Us
Site Selection Assistance	$0 to $500	As arranged	As incurred	Us
Site Evaluation Software Fee	$0 to $500	As arranged	As incurred	Us

TYPE OF EXPENDITURE	AMOUNT[8]	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
General Contractor Approval Fee	$0 to $5,000	As arranged	As incurred	Us
Construction Oversight Assistance	$0 to $500	As arranged	As incurred	Us
Lease Payments Plus Security Deposit[1,7]	Varies			
Leasehold Improvements[2]	$173,500 - $246,000	As arranged	As required	Contractors and third-party suppliers
Furniture[3]	$2,500 - $6,000	As arranged	As required	Approved Suppliers
Office Equipment/Phone System/Utilities	$125,000 - $175,000	As arranged	As required	Us, our affiliate, and/or Approved Suppliers
Architect, Engineer, Drawings	$1,500 - $4,000	As arranged	As incurred	Your architect and engineer
Audio/Visual Installer Approval Fee	$0 to $250	As arranged	As incurred	Us
Opening Inventory[4]	$25,000 - $50,000	As arranged	As incurred	Us, our affiliate, and/or Approved Suppliers
Initial Supplies[4]	$9,000 - $12,000	As arranged	As incurred	Approved suppliers
Signage	$5,000 - $2,000	As arranged	As incurred	Approved suppliers
Computer Point of Sale ("POS") Register, Hardware, Software[5]	$25,000 - $40,000	As arranged	As incurred	Approved suppliers
Pre-opening training expenses (per person)[6]	$500 - $1,500	As arranged	Before opening	Third party suppliers of transportation, food and lodging for you and your manager
Local Advertising (first three months)	$30,000	As arranged	As incurred	Us, our affiliate, and/or Approved Suppliers
Business Licenses, Permits, etc. (first year)	$500 - $1,500	As agencies require	As agencies require	Applicable agencies
Insurance Deposits and Premiums (three months)	$5,000 - $15,000	As agent requires	Before opening	Insurance carriers

TYPE OF EXPENDITURE	AMOUNT[8]	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Professional Fees (first year)	$2,500 - $10,000	As arranged	As incurred	Your accountant, attorney, and other professionals
On-Site Pre-opening and Opening Training[8]	$1,000 - $3,000	When invoiced	Before opening	Us
Additional Funds (three months)[9]	$50,000 - $75,000	As arranged	As incurred	Various
Total[10, 11]	$491,000 - $712,750			

Notes:

Note 1. We reserve the right to approve the location of your Office, and you must construct, remodel, alter, and improve the location to our specifications. A typical Office will be located in or adjacent to an upscale strip center or lifestyle center, end cap, inline, or freestanding along major freeways and retail corridors, and ranges between 1,500 to 1,800 square feet with 10 or more parking spaces. Commercial lease rent varies widely depending upon factors such as size, condition of premises, and location.

Note 2. Construction and remodeling costs vary widely, depending upon the location, design, configuration and condition of the premises, the condition and configuration of existing services, and facilities such as air conditioning, electrical and plumbing, and the terms of your lease. The figures in the chart include a general contractor's fee (generally equal to 10% to 15% of total construction costs), contractor's insurance, materials and supplies, tools, labor and subcontractor fees, and other costs to construct leasehold improvements conforming to our standards. The range in the above chart does not include any tenant improvement allowance that may be negotiated with your landlord. Based on our and our franchisees' experience such tenant improvement allowance can range between $30,000 to $80,000. Note 3. Furniture, fixtures, and equipment also include all interior design elements and interior signage. If any special or additional equipment or fixtures are needed to provide Office services, you must acquire the equipment or fixtures, the cost of which may be significant. This range also includes the cost for your Office layout design.

Note 4. The initial supplies accounted for include your initial FLOSS® products inventory and all start-up supplies including office, retail, and business supplies (such as stationery, business cards, brochures, and other print materials) and other general supplies.

Note 5. This estimated range includes the costs to purchase required computer hardware and software, as well as required monthly software subscriptions during the first three months of operations. See Item 11 for more information.

Note 6. You must make arrangements for, and pay the expenses of, each individual who attends our initial training program. Such expenses will include transportation, lodging, meals, and wages. The amount expended will depend, in part, on the distance you must travel and the type of accommodation you choose. The figures in the chart represent the estimated cost for two individuals to attend our initial training program. We currently charge a $300 per person tuition fee for the third and each subsequent attendee you send to our initial training program.

Note 7. Security deposits are generally required by utility providers, the landlord, and equipment lessors. Amounts will vary depending on utility provider policies, provisions of various leases, and your credit rating.

Note 8. If we determine at our discretion that such assistance is necessary, we will provide up to two days of pre-opening and opening assistance. You must reimburse us for our representative's related travel, lodging, and dining costs.

Note 9. These estimates do not include managerial salaries or any payment to you. These estimates also do not take into account finance payments, charges, interest, and related costs you may incur if any portion of the initial investment is financed. These amounts are the minimum recommended levels to cover operating expenses, including your employees' salaries for three months. However, we cannot guarantee that those amounts will be sufficient. Additional working capital may be required if sales are low or fixed costs are high. We relied on our and our franchisees' operating experience in compiling these working capital estimates.

Note 10. Your costs will depend on your management skill, experience, and business acumen; local economic conditions; union labor; the real estate market; the prevailing wage rate; competition; and your Office's sales during the initial period. All amounts are non-refundable unless otherwise noted.

Note 11. You should expect to incur these expenses for each separate franchise you develop under an ADA, except that the amount and timing for paying of the Initial Franchise Fees will be as described below. The Initial Franchise Fee for the first franchise purchased under an ADA is $35,000, the Initial Franchise Fee is discounted to $25,000 each for franchise numbers two through four, and it is discounted to $20,000 for franchises numbers five and beyond. Upon signing the ADA, you will pay 100% of Initial Franchise Fee for the first franchise and 50% of the Initial Franchise Fees for each additional franchise. You will pay the 50% unpaid balance of each Initial Franchise Fee for each additional franchise upon the first to occur of the following: (1) execution of each Franchise Agreement for each additional franchise, or (2) execution of each commercial lease (or real property purchase) for each relevant Office.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Approved or Designated Suppliers

Office Supplies and Equipment

You must purchase from us, our affiliates, or from our designated suppliers, the dental and non-dental supplies and equipment needed to provide Office services.

If you purchase any items from us or our affiliates, we may derive profits from these purchases. Except for those affiliates of ours that provide certain products and/or services to you, none of our officers owns an interest in any privately-held suppliers, or a material interest in any publicly-held suppliers of FLOSS® franchise system. Occasionally, our officers may own non-material interests in publicly-held companies that may be suppliers to our franchise system.

Computer System

You must purchase the POS computer hardware and software system from our approved suppliers. See Item 11 for more information about computer hardware and software requirements.

Supplier Approval

We will provide you with our Manual and various supplemental bulletins and notices that will contain the specifications, standards, and restrictions on your purchase of products. Upon request, we will furnish to you an approved list of suppliers which we may update periodically.

Unless we have designated an exclusive supplier (which may include us or an affiliate) for a particular item or service, if you desire to purchase products from a supplier other than our approved suppliers, you must submit a written request to us for approval of the proposed supplier, together with any evidence of conformity with our standards and specifications as we may reasonably require, or will request the

supplier itself to do so. We may inspect and evaluate the supplier's facilities and products before we approve or disapprove your proposed supplier, and you must pay all of our reasonable costs and expenses incurred in doing so. You may not use a supplier before you receive our written approval. A supplier must demonstrate to our reasonable satisfaction that it can supply an item meeting our standards and specifications for the item, that it is in good financial standing in the business community and that its products and services are reliable. We will approve or disapprove a proposed supplier in 60 to 90 days. We will notify you if and when we no longer approve a previously approved supplier. A supplier must continually adhere to our standards and specifications to maintain its approval.

We formulate and modify specifications and standards imposed upon franchisees by evaluating the market acceptance of items and services and the financial stability of suppliers. We are not required to issue our specifications and standards to franchisees or approved suppliers, nor are criteria for supplier approval made available to franchisees.

Ownership Interest in Suppliers

Minesh Patel and Michael Tran, two of our principal officers, own interests in us and our affiliate(s). There are no other approved suppliers in which any of our officers owns an interest.

Franchised Location and Lease

You must acquire a site for your Office that meets our site selection criteria and that we approve. If you occupy the Office according to a commercial lease, the lease must contain terms that we specify. (See Lease Addendum attached as Attachment F to the Franchise Agreement).

You must construct, equip, and improve the Office in compliance with our current design standards and trade dress. You must purchase and install, at your expense, all millwork and customized fixtures, furnishings, equipment (including a point-of-sale cash register system), décor, and signs from our approved third-party suppliers.

Insurance

We require you to maintain the type of coverage mandated by federal, state, and local law. You must obtain and maintain insurance policies protecting you, and us as additional insured, on a primary non-contributory basis. The additional insured should be listed on the certificate as follows: FLOSS, LLC, and its officers, managers, members, partners, shareholders, directors, subsidiaries and affiliates, agents and employees; and it must be provided on an Additional Insured Grantor of Franchise Endorsement per form CG2029 (or an endorsement form with comparable wording acceptable to us). The policy must contain a waiver of all subrogation rights against us, our affiliates, and their successors and assigns, and must provide for 30 days' prior written notice to us of any material modifications, cancellations, or expirations. The insurance must be underwritten by insurers licensed and admitted to write coverage in the state in which the Office is located and must have an A.M. Best rating of "A" or higher.

At least 10 days before you are required to carry insurance, and after that at least 30 days before the expiration of any policy, you must deliver to us certificates of insurance evidencing the proper types and minimum amounts of required coverage, and evidence of the additional insured and wavier requirements. Failure to maintain the required insurance, we or our designee may obtain the insurance for you and charge and demand reimbursement of the premium costs and costs of acquiring the insurance. Each year we may unilaterally modify the insurance minimum coverage requirements which may include an increase to the minimum coverage requirements to reflect changes in inflation or as market conditions warrant.

We may periodically increase the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage

awards, or other relevant changes in circumstances.

Revenue Derived from Franchisee Purchases and Leases

We will derive revenue from franchisee purchases and leases to the extent that franchisees purchase products or services directly from us, or our affiliates. During our fiscal year ending December 31, 2020, we and or affiliates did not receive any such revenue.

We and our affiliate may receive rebates, price adjustments, or discounts on products or services sold to you by recommended or approved suppliers. During our fiscal year ending December 31, 2020, we and or affiliates did not receive any such revenue. As of the issuance date of this disclosure document, we anticipate receiving rebates on the following products or services sold to you by approved suppliers: equipment (amount of rebate not yet determined); supplies (1% to 3% of supplier's profit from franchisee purchases); billing services (amount of rebate not yet determined); and certain advertising services (either paid directly to us or paid to advertising supplier with rebate to us - yet to be determined).

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases

We estimate that substantially all of your expenditures for leases and purchases in establishing your Franchised Business and approximately 30% to 35% of your total annual operating expenses on an ongoing basis will be for goods and services which are subject to sourcing restrictions (that is, for which suppliers must be approved by us, or which must meet our standards or specifications).

Description of Purchasing Cooperatives; Purchasing Arrangements

We may negotiate purchase arrangements with primary suppliers for the benefit of franchisees. If we negotiate a purchase agreement for the region where your Office is located, you must participate in the purchasing program. Presently there are no purchasing or distribution cooperatives in existence for the franchise system.

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

ITEM 9
FRANCHISEE'S OBLIGATIONS

These tables list your principal obligations under the franchise and other agreements. They will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section(s) in Franchise Agreement	Section(s) in Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 3.1. and 3.3.		Items 8 and 11
b. Pre-opening purchases/leases	Sections 3.4., 6.5., 6.6., and 10.1.		Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 3.2., 3.4., 5.1. and 5.2.		Items 7, 8 and 11
d. Initial and ongoing training	Sections 5.1., 5.3., 5.5., 5.6., 5.7., and 5.8.		Items 6 and 11

Obligation	Section(s) in Franchise Agreement	Section(s) in Development Agreement	Disclosure Document Item
e. Opening	Sections 3.5. and 5.2.	Section 4 and Attachment B	Item 11
f. Fees	Sections 4.1., 4.2., 4.3., 4.4, 4.5, 4.10., 4.11., 9, 12.3., and 12.4.	Section 3	Items 5, 6, 8 and 11
g. Compliance with standards and policies/ Operating Manual	Article 8	Sections 4 and 5	Item 8, 11, 14 and 16
h. Trademarks and proprietary information	Article 7	Sections 1, 10 and 14.2.4	Items 11, 13 and 14
i. Restrictions on products/services offered	Sections 6.4., 6.5., 6.6., 6.7., and 6.8.		Items 8 and 16
j. Warranty and customer service requirements	Not applicable		Not applicable
k. Territorial development and sales quotas	Not applicable	Section 4 and Attachment B	Item 12
l. Ongoing product/service purchases	Sections 6.5., 6.6. and 8.2.		Item 8
m. Maintenance, appearance and remodeling requirements	Sections 6.7. and 6.10.		Items 7, 8 and 11
n. Insurance	Section 11.2.	Section 7	Item 7 and 8
o. Advertising	Article 9		Items 6 and 11
p. Indemnification	Section 11.3.	Section 7	Items 6 and 12
q. Owner's participation/ management/staffing	Sections 6.2., and 6.3.		Item 15
r. Records and reports	Sections 10.4, 10.5, and 10.6.	Sections 6.4.1, 10.6, 10.8 and 13.2 and Attachment C	Item 6
s. Inspections and audits	Section 10.7.		Items 6 and 11
t. Transfer	Article 12	Section 8	Items 6 and 17

Obligation	Section(s) in Franchise Agreement	Section(s) in Development Agreement	Disclosure Document Item
u. Renewal	Section 2.2.	None	Items 6 and 17
v. Post-termination obligations	Article 14	Sections 9 and 10	Items 6 and 17
w. Non-competition covenants	Article 15	Section 10	Item 17
x. Dispute resolution	Article 19	Section 14	Item 17
y. Guaranty	Section 18.6.	Sections 8.3 and 13.6 and Attachment D	Item 15

ITEM 10
FINANCING

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

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

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

Pre-opening Obligations.

Before you open the Office for business:

1. We will approve the Site Selection Area in which you may locate your Office before you sign the Franchise Agreement, and we will approve or refuse to approve the specific Office site within 30 days of receiving all requested information. (Franchise Agreement, Section 3.2.).

2. We will admit two individuals to our initial training program, described below. You will pay a fee for any additional attendees. (Franchise Agreement, Section 5.1.)

3. If we determine at our discretion that such assistance is necessary, we will provide one or two trainers for up to two days of on-site Office pre-opening and opening assistance. (Franchise Agreement, Section 5.2.)

4. We will loan you one copy of our Manuals. (Franchise Agreement, Section 8.1.) The Table of Contents of our Confidential Operations Manual is attached to this disclosure document as Exhibit D. 5.

We will provide such pre-opening consultation and advice as we deem appropriate, which may include advice with regard to the development and non-dental operations of the Office, building layout, furnishings, fixtures, and equipment, plans and specifications, construction oversight, training, purchasing and inventory control, and such other matters as we deem appropriate. (Franchise Agreement, Section 5.4.)

6. We or our designated supplier will create a microsite to our corporate website and customized social media accounts and pages for your use in connection with the Office. (Franchise Agreement, Section 7.5.2.)

7. We will assist you in creating a grand opening advertising and promotional strategy to promote the opening of the Office. At our election, we may require you to: (a) spend the Local Advertising amount

in your local market to promote the Office; or (b) pay such amounts to us, to be spend on approved advertising and marketing campaigns in your market area; or (c) do a combination of both (a) and (b). (Franchise Agreement, Section 9.2.).

Continuing Obligations.

During the operation of the Franchised Business:

1. We will provide such ongoing consultation and advice as we deem appropriate, which may include information about new product development, instruction concerning the non-dental operation and management of the Office, advertising and marketing advice, and financial and accounting advice. (Franchise Agreement, Section 5.5.)

2. We will communicate to you information about our approved and designated suppliers. (Franchise Agreement, Section 6.6.)

3. We will assist you in creating an ongoing advertising and promotional strategy to promote the Office. At our election, we may require you to: (a) spend the Local Advertising amount in your local market to promote the Office; or (b) pay such amounts to us, to be spend on approved advertising and marketing campaigns in your market area; or (c) do a combination of both (a) and (b). (Franchise Agreement, Section 9.2.).

4. Periodically, we may make available additional mandatory or optional courses, seminars, and other training programs as we consider appropriate. (Franchise Agreement, Section 5).

Advertising

Our advertising program for the products and services offered by FLOSS® Offices may consist of Internet and radio advertising in certain targeted markets, as well as e-mail campaigns, on-line advertisements, social media, and promotional materials through networking at the local, regional, and national level. Our advertising materials may be created in-house and/or with the help of an outside advertising agency. You will have access to all of our marketing and advertising templates. You may develop your own advertising and marketing materials, at your own expense, subject to the requirements described below.

Advertising Fund

We do not require that you contribute to an advertising fund for regional or national advertising.

Local Advertising

At our election, we may require you to: (a) spend the Local Advertising amount in your local market to promote the Office; or (b) pay such amounts to us, to be spend on approved advertising and marketing campaigns in your market area; or (c) do a combination of both (a) and (b). As of the issuance date of this disclosure document, we require the latter option. If we require you to spend such amounts directly, then you shall provide proof of such expenditure according to the procedures we require. Also if we require you to spend such amounts directly, then at least 30 day prior to the beginning of each calendar quarter, you must submit to us your advertising campaign and budget for our review and approval.

We must approve all of your promotional and marketing materials before you use them. To obtain approval, you must submit to us samples of the proposed materials and notify us of the intended media. We will use good faith efforts to approve or disapprove your materials within 15 days from the date we receive them. You may not use the materials until they are expressly approved by us, and we have the right to disapprove materials that we have previously approved. We must also approve all of your promotional and marketing programs, events, and all other related activities before their implementation. To obtain approval, you must submit a detailed outline of all proposed promotional and marketing activities, as well as all other information we may reasonably request. Once we have received the requested information, we will use good faith efforts to approve or disapprove your proposed promotional activities within 15 days.

You may not use the Proprietary Marks or any part or derivative thereof, or any of our copyrighted Works, or promote your Office, on the Internet, except as expressly permitted in writing. Without limiting the generality of the foregoing, you may not use the Proprietary Marks or any part or derivative of the Proprietary Marks as part of any URL or domain name, and may not register as part of any user name on any website (including commercial, gaming, video sharing, user review, and social networking websites), or as part of any unauthorized email address. You also may not display on any website (including commercial, gaming, video sharing, user review, and social networking websites) Franchisor's Copyrighted Works, which include the design portion of its Proprietary Marks, or any collateral merchandise identified by the Proprietary Marks.

Franchisor or its designee will create a single website page, or "microsite," for your Office (the "**Office Microsite**") as well as create and customize certain social media accounts and related pages for use in connection with the Office ("**Office Social Media Portals**"). For the avoidance of doubt, and without limiting the generality of the restrictions described above, you shall not create an independent website or use our Proprietary Marks or promote your Office independently on social media.

Advertising Cooperative or Advertising Council

We may, in our sole discretion, elect to form an advertising cooperative and/or advertising council for the benefit of the franchise system. If advertising cooperatives or councils are formed, we will retain the right to change, dissolve or merge any such cooperative or council, in our sole discretion. As of the date of this disclosure document we have not established any advertising cooperative or council, however, when applicable, the terms of the Franchise Agreement require you to participate in any such advertising cooperative or council as directed by us.

Computer Systems

You must purchase, install and maintain the computer hardware and software that we designate (the "Computer System"). You will use the Computer System as a point of sale system, a customer data system, an inventory system, a time maintenance system, a daily sales reporting system, and an accounting system.

You must connect the Computer System to a telephone line, a DSL line, or other communications channel capable of accessing the Internet via a third-party network. Updates or replacement of the Computer System, both hardware and/or software, may be required. There is no contractual limitation on the frequency or cost of these obligations. We will have the right to independently access all information and financial data recorded by the system for daily polling, audit and sales verification. There are no contractual limitations to our right to access the information and data recorded by your system.

The approximate cost to purchase the Computer System, computer software and hardware is $25,000 to $40,000, which includes the first year of license and maintenance fees as described below. You must purchase both the required hardware and software from our designated and approved suppliers.

You must purchase and maintain a subscription to the software we require for dental practice management. Currently, this software is approximately $120 per month.

You must purchase and maintain a subscription to the software we require for practice analytics. Currently, this software is approximately $250 per month.

You must purchase and maintain a support subscription with our designated information technology support provider for unlimited IT support. Currently, this support subscription is $450 per month.

You must purchase and maintain a subscription to the review platform software we require for patient reviews. Currently, this software is approximately $199 per month.

No later than 30 days before the Office's Opening Date, you must purchase accounting software of your choosing. We reserve the right to designate the specific accounting software you must use, but do not do

so as of the issuance date of this disclosure document.

You must, install and maintain interactive multi-media equipment, devices, and facilities that we require and subject to our standards and specifications, including approved music systems, wi-fi and other wireless Internet and communications systems, and interactive displays, including plasma or LCD screens, and ceiling-mounted television screens.

Except as described above, neither we, our affiliates, nor any third parties must provide ongoing maintenance, repairs, upgrades, or updates to your computer system or other computer equipment. Except as described above, there are currently no optional or required maintenance/upgrade contracts for the Computer System or other computer equipment.

You must install any other hardware and/or software for the operation of the Office that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. There is no contractual limitation on the frequency or cost of these obligations. We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by FLOSS® Offices.

Initial Training Program

Approximately 30 days before the opening of your FLOSS® Office, we will provide initial training for up to two attendees, which includes your Managing Owner and Office Manager (if you are not the Office Manager). Each must attend and complete the training to our satisfaction. We reserve the right to delay this training if all of the pre-training requirements, as set forth in the Manual, are not met. Our initial training program will be held primarily via online access and at a classroom facility that we designate in the Houston, Texas area, in addition "on-the-job" training will be conducted at a designated Office location in the Houston area. We will provide the training, the instructor(s), a training manual, and other materials without charge for your first two trainees. You must pay us a fee (currently $300 per day) for each additional attendee you send to the initial training program.

The initial training program is held on an as needed basis and is directed and conducted by our Chief Executive Officer, Dr. Michael Tran, DDS and our Chief Financial Officer, Dr. Minesh Patel, DDS. Dr. Tran has been our CEO since 2020 and CEO for FLOSS Unlimited, LLC since 2018. Dr. Tran was an associate at the FLOSS Dental office in Magnolia, Texas in 2016 and has been a practicing dentist and owner of two FLOSS Dental offices in Magnolia and Midtown Houston, Texas since 2017. Dr. Patel has been our CFO since 2020 and CFO for FLOSS Unlimited, LLC since 2018. He has been a practicing dentist and owner of FLOSS Dental in Sugarland, Texas since 2013.

We do not provide training or assistance regarding, or directly or indirectly control or direct, your practice of dentistry or the provision or clinical or dental services as these are ultimately the responsibility of your Office's licensed practitioner(s).

TRAINING PROGRAM

Subjects	Hours of Classroom Training*	Hours of On the Job Training	Location
Perfect Visit: The Ideal Patent Visit	1	2	Online, Designated Office (Houston, TX area, or Classroom (Houston, TX area)
Service and Tech Diagnostics	2	2	
Selling is a Dance- TX plan presentation	1	1	
"Y" Production/Visit	1	1	

Subjects	Hours of Classroom Training*	Hours of On the Job Training	Location
Say My Name	1	1	
Open Dental	6	1	
Fiscal Management	3	3	
X Factor – New Patient	1	1	
Z Budgets	3	3	
Time Management	3	2	
Generate Referrals	1	1	
Powerful Promos	2	1	
Insurance Basics	1	1	
Why We Serve	1	0	
Communication	2	2	
Make It A Game	3	1	
Team Meetings	1	0	
Brand Values	1	1	
Check-in & Check-out	2	2	
Phone Greet/Schedule	2	2	
Products	1	1	
Dental Terminology 101	3	1	
Practice Scorecard	2	1	
Invisalign	8	2	Align Tech Destination
Totals	52	33	

* Some or all of the classroom training may take place online at our discretion.

The training program may be amended.

If we determine at our discretion that such assistance is necessary, we will provide you with one or two trainers for up to two days of on-site pre-opening and opening assistance. If we determine, however, that you have not met the minimum requirements for the establishment of the Office by the timelines set forth in the Manual, we may elect to provide you with additional on-site assistance as we deem appropriate and you agree to pay our per diem fee for this additional assistance as well as our related travel, lodging, and dining costs.

Additional Training Programs

Mandatory or Optional Courses, Seminars, and Other Training Programs. We do not charge a fee for these additional training courses; however you must pay all attendance related travel, lodging, dining costs, and wages for you, your owner(s), and your Office Manager. If we make such programs mandatory, then you, your owner(s), and/or your Office Manager must attend (as we will designate).

Additional Training and Assistance Requested By You. You may request additional training and assistance. Such training and assistance are subject to our availability. You must pay our then-current

training fee before we send our personnel to your Office. You must also advance or reimburse our travel, lodging and dining costs. We are not required to provide more than seven days of additional on-site training assistance within any rolling 12-month period.

Mandatory On-Site Training for Non-Compliance. We may, at our option, send our personnel to your Office to provide mandatory training if you have failed to comply with our standards and specifications or have failed one or more quality inspections. You must pay our then-current training fee before we send our personnel to your Office. You must also advance or reimburse our travel, lodging and dining costs.

Site Selection and Opening

When you sign the Franchise Agreement, we will agree on a "Site Selection Area" within which you must locate the Office. Once you have identified an approved location, we will agree on a "Protected Area." You must acquire an acceptable site for the Office by no later than the Control Date identified in the Franchise Agreement (which is generally four months after the date you sign the Franchise Agreement). If you fail to acquire an acceptable site by the date that we mutually agree on before you sign the Franchise Agreement ("Control Date") we may terminate the Franchise Agreement. For each proposed site that you identify, you must deliver to us a franchise site application in a form that we prescribe, including information about the site as we may reasonably request to perform our evaluation. We will approve or refuse to approve your proposed site within 30 days of receiving all requested information about the site. The criteria that we use to evaluate the site include general location, neighborhood, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms.

An Office usually opens for business within six months after the Franchise Agreement is signed. Factors which may affect the length of time between signing of the Franchise Agreement and opening for business include the time necessary to locate a location which we will accept; to obtain any financing you need; to obtain required licenses, permits, and governmental agency approvals; to fulfill local ordinance requirements; to complete construction, remodeling, alteration, and improvement of the Franchised Location, including the installation of fixtures, equipment, and signs; and to complete our initial training program and to complete the hiring and training of personnel. Delay in construction may be caused by inclement weather, material or labor shortages, labor actions, slow deliveries, equipment shortages and similar factors.

When the site is selected, we will mutually agree on an Opening Date for the Office, which will be no later than 90 days after site selection. If you fail to open the Office by the Opening Date, we can terminate the Franchise Agreement.

Operations Manual

The table of contents to the Operations Manual is attached to this disclosure document as Exhibit D.

ITEM 12
TERRITORY

Franchise Agreement

You will operate the Office at a location that we have approved, and you may relocate the Office only with our prior written consent. We will consent to relocation if your lease expires or terminates through no fault of yours, or if the Office premises is destroyed or materially damaged by fire, flood, or other natural catastrophe, and you are not in default of the Franchise Agreement or any other agreement with us or our affiliates.

You will select an Office location, which we approve, from within your designated "Site Selection Area," identified in Attachment B. When the Office location is identified, we will mutually agree on a "Protected Area," which will also be identified in Attachment B to the Franchise Agreement. Your Protected Area will be described in terms of identifiable boundaries, such as streets, county lines, rivers, etc., clearly

noted on a map included in Attachment B. The typical Protected Area ranges from a 0.1-mile radius in highly populated metropolitan areas such as Manhattan, Chicago, or Los Angeles, to a 3-mile radius in less densely populated areas, to a 5-mile radius in more rural areas. The exact determination of the Franchise Territory will depend upon your approval and our market analysis, market penetration plans and franchise placement strategies. Among the factors we consider to determine the feasibility of possible franchise territory locations are population demographics and competition in the area. If we cannot agree on the radius of your Protected Area, then the franchisor will reasonably determine the Protected Area based on the factors described above.

During the franchise term, we will not own or operate, or grant anyone else the right to operate, an Office under the trademark FLOSS® within the Protected Area. Excepted out from the Protected Area will be venues within the Protected Area that we consider "Closed Markets." These include any facility serving a captive market, including hotels, resorts, Shopping malls (defined as enclosed or open retail centers with gross leasable area in excess of 350,000 square feet), airports, public facilities, college and school campuses, military bases, and any other mass gathering events or locations, and facilities of any kind for which dental and other related services rights are, or may reasonably be anticipated to be, contracted to a third party or parties. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We reserve to ourselves all other rights, including the right: (a) to own and operate and to grant others the right to own and operate Offices outside the Protected Area, regardless of their proximity to the Protected Area; (b) to own and operate and grant others the right to own and operate FLOSS® Offices, and license the use of the Marks and System, in "Closed Markets" within and outside the Protected Area; and (c) the right to distribute products and services identified by the Proprietary Marks through alternative channels of distribution including mail order, catalog sales, department stores, retail stores, supermarkets, and/or Internet sales. We are not required to compensate you if we exercise any of the rights specified above inside your Protected Area.

Except for the Protected Area granted in your Franchise Agreement, we do not grant any rights of first refusal to obtain additional franchise rights. If you wish to develop additional Offices you must enter into a new Franchise Agreement and meet all our current requirements for franchisees. There are no circumstances that permit us to modify your Protected Area (except upon renewal of your franchise), nor do we require that you meet a minimum sales quota.

Marketing and Providing Services

Except with our prior written permission, you may not offer or sell products or services from any location other than your Office. Except with our prior written permission, you may not place advertisements using our Marks in or originating from any area other than your Protected Area. This includes, but is not limited to, internet, catalog sales, telemarketing or other direct marketing. You may not advertise in any media with primary circulation is outside the Protected Area, except with our prior written permission and the prior written consent of any other franchisee within our system whose protected area is reached by that media.

All online marketing is part of our marketing programs described in the Operations Manual and defined in the Franchise Agreement, and must be coordinated through us and approved by us. You shall not acquire an independent internet domain name or website for your franchise.

Area Development Agreement

Under the Area Development Agreement, we grant you the right to develop and operate a specified number of FLOSS® Offices (a minimum of three) at sites in a specified Development Area. The Development Area will be identified on Attachment B to the Area Development Agreement, and may be described in terms of cities, counties, states, or some other designation. We do not grant you any options

or rights of first refusal to acquire additional development areas.

During the term of the Area Development Agreement, we will not own or operate, or grant anyone else the right to operate, a FLOSS® Office within the Development Area, except in Closed Markets. We reserve to ourselves all other rights, including the right: (a) to own and operate and to grant others the right to own and operate Offices outside the Development Area, regardless of their proximity to the Development Area; (b) to own and operate and grant others the right to own and operate FLOSS® Offices, and license the use of the Marks and System, in "Closed Markets" within and outside the Development Area; and (c) the right to distribute products and services identified by the Proprietary Marks through alternative channels of distribution including mail order, catalog sales, department stores, retail stores, supermarkets, and/or Internet sales. Nothing in the Area Development Agreement prohibits us from (a) owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (*i.e.*, a mark other than FLOSS®), whether or not the business is the same as or competitive with FLOSS® Offices; or (b) owning, operating, or franchising one or more businesses offering products or services other than those provided at FLOSS® Offices under the name FLOSS® or some derivative of the Proprietary Marks. We are not required to compensate you if we exercise any of the rights specified above inside your Development Area.

If you fail to meet any of your obligations under the Area Development Agreement, including the development obligations, we may (i) terminate or modify any territorial protections granted to you, (ii) reduce the size of the Development Area, or (iii) reduce the number of Offices which you may establish under the Development Schedule. There are no other circumstances that permit us to modify your territorial rights under the Area Development Agreement. After the expiration of the term of your Area Development Agreement, we may own, operate, franchise or license others to operate additional FLOSS® Offices anywhere, without restriction, including in your Development Area, subject to the rights granted to you in the Protected Area established under any then-existing Franchise Agreement.

ITEM 13
TRADEMARKS

Our affiliate, FLOSS Global, LLC, owns and has registered the following Marks on the Principal Register of the United States Patent and Trademark Office:

Mark	Registration Number	Registration Date	International Class
FLOSS A NEW EXPERIENCE IN DENTISTRY (stylized name/logo)	4521540	April 29, 2014	44
FLOSS (stylized name/logo)	4521542	April 29, 2014	44
FLOSS KIDS (word mark)	4745411	May 26, 2015	44
A NEW EXPERIENCE IN DENTISTRY (word mark)	5391836	January 30, 2018	44
FLOSS (word mark)	5391835	January 30, 2018	44

Our affiliate has (or anticipates filing as they come due) all required affidavits and registration renewals in respect to registrations of the principal marks with the USPTO.

We signed a license agreement (the "License Agreement") with FLOSS Global, LLC dated effective January 30, 2020 for the license right to use, and to grant to our franchisees the right to use, the marks in our franchise system. The License Agreement is for 10-year renewable terms and may only be terminated for good cause. We do not anticipate any issue with your use of the Marks because FLOSS Global, LLC's owners are principals of ours. Upon termination of the License Agreement, FLOSS Global, LLC has agreed that it or its assignee will license the Marks directly to you through the end of the then-current term of your Franchise Agreement.

We know of no agreements currently in effect which significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to you.

There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, or the trademark administrator of any state or any court. There are no pending infringement, opposition or cancellation proceedings, and no pending litigation involving any of the Marks that may significantly affect the ownership or use of any Mark listed above.

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks. We cannot represent with certainty that we have exclusive or superior rights to the name FLOSS® in all geographic areas. There may be similar uses to our Proprietary Marks of which we are unaware, which could arise from prior users.

You may use only the Proprietary Marks that we designate, must use them only in the manner that we authorize and permit, and must use them with the symbols, "®", "™", or "℠", as appropriate. You may use the Proprietary Marks only in connection with the operation and promotion of the Franchised Business, and only in the manner we prescribe. You may not contest ownership or validity of the Proprietary Marks or any registration of the Proprietary Marks, or our right to use or to sublicense the use of the Proprietary Marks. You must sign all documents that we require in order to protect the Proprietary Marks and to maintain their validity and enforceability.

You may not use the Proprietary Marks or any part of the Proprietary Marks in your corporate name, and may not use them to incur any obligation or indebtedness on our behalf.

You may not use the Proprietary Marks or any part or derivative of the Proprietary Marks on the Internet, except as expressly permitted in writing. This prohibition includes use of the Proprietary Marks or any derivative of the Proprietary Marks as part of any URL or domain name, as well as their registration as part of any user name on any gaming website or social networking website (such as FACEBOOK, INSTAGRAM, TWITTER. YOUTUBE, or TIKTOK) or as part of any unauthorized email address.

You must promptly notify us of any suspected unauthorized use of, or any challenge to the validity of the Marks or Copyrighted Works, or any challenge to our ownership of, or license to use and to license others to use, or your right to use, the Marks or Copyrighted Works. We have the right to direct and control any administrative proceeding or litigation, or other adjudicative proceeding involving the Marks or Copyrighted Works, including any settlement of the proceeding. We or our affiliate has the right, but is not obligated, to take action against third parties for infringement of our Marks or Copyrighted Works. You will have no independent right to make any demand against any alleged infringer or to prosecute any claim of any kind or nature whatsoever against an alleged infringer. We will not be required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks or Copyrighted Works or if the proceeding is resolved unfavorably to you. If we undertake the defense or prosecution of any litigation or administrative action relating to your use of the Marks or Copyrighted Works, you must sign all documents that we require and do all things that we consider necessary to carry out the defense or prosecution, which may include becoming a nominal party to the action.

We have the right to create new, modified or replacement Proprietary Marks, and to require you to use them in addition to or in lieu of any previously designated Proprietary Marks.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or registered copyrights material to the franchise. However, we claim copyright protection in the Manual, the design elements of our marks, our product packaging, advertising and promotional materials, and the content and design of our website (the "Copyrighted Works").

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any

court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We have no obligation to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use, or licensing of the copyrights. You may not use any of our Copyrighted Works on the Internet without our written permission. This includes display of the Copyrighted Works on commercial websites, gaming websites, and social networking websites (such as FACEBOOK, INSTAGRAM, TWITTER, YOUTUBE, OR TIKTOK).

You and your employees must maintain the confidentiality of all information contained in the Manual and other information that we consider confidential, proprietary, or trade secret information. Confidential Information means all trade secrets, and other elements of the System; all customer information; all information contained in the Manuals; and standards and specifications for services and products offered; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of their operation under the terms of the Franchise Agreement, any training we provide, and all other information that we designate (collectively, "Confidential Information"). You must implement any reasonable procedures we may adopt to protect our Confidential Information including restrictions on disclosures to your employees and requiring employees who will have access to our Confidential Information to sign employment agreements containing non-disclosure and non-competition provisions.

You may not contest our exclusive ownership of the copyrights, trade secrets, processes, methods, procedures, formulae, techniques and other proprietary information to which we claim exclusive rights.

If you or your employees or owners develop any new concept, process or improvement in the operation or promotion of your Office, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You and your owners agree that any of these concepts, processes, or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

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

If the franchisee is a business entity, at least one Owner must oversee the general operations and business activities of the Office. This Owner will be identified as the Managing Owner. You must also designate an Office Manager, who may, but is not required to be, an Owner, who oversees the day-to-day operations of the Office and devotes his or her full-time energy and best efforts towards the management, operation, promotion, and growth of the business. The designated Managing Owner and Office Manager may be the same individual. At least one of your Owners must be a licensed dentist who must be present at your FLOSS® Office in accordance with state law. Your Managing Owner and the Office Manager (if the Office Manager is not an Owner) must successfully complete our initial training program.

The Office Manager may not engage in any other business or activity that requires substantial management responsibility or time commitment. If your Office Manager ceases to serve in, or no longer qualifies for, the position, you must designate a new Office Manager within 30 days. Each replacement Office Manager must successfully complete our initial training program before assuming responsibility.

If the franchisee is a business entity, each Owner identified in Attachment C to the Franchise Agreement must sign a Personal Guaranty and Undertaking substantially in the form attached as Attachment D-1 to the Franchise Agreement. If you develop multiple Offices each Owner must sign a Personal Guaranty and Undertaking substantially in the form attached as Attachment D to the Area Development Agreement. Your owners and any individual who attends our initial training program, including your Office Manager, must sign a confidentiality and non-competition agreement substantially in the form attached as

Attachment D-2 to the Franchise Agreement. It will be solely your responsibility to ensure that the agreement complies with applicable laws.

The term "Owner" means each individual or entity holding a direct or indirect beneficial ownership in the franchisee or developer. It includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the trust.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Except as described below, you must offer and sell all products and non-dental services that we require, and only the products and non-dental services that we have approved. We may add, eliminate and change products and non-dental service items periodically, and you must comply with all directives (which may require purchasing and installing additional equipment). There are no limits on our right to make changes. We may, on occasion, require you to test market products and/or non-dental services at your Office. You must cooperate with us in conducting these test marketing programs and must comply with all rules and regulations that we establish.

All sales must be for retail consumption only and you may not engage in wholesale sales of any kind through any channels of distribution without our prior consent. You may not sell products through any means of distribution other than from the Office at the Franchised Location unless we expressly authorize in writing. We have the right to establish maximum, minimum or other retail pricing requirements to the extent permitted by law.

You may not operate any co-branding marketing system without our prior written consent, which may be withheld in our sole discretion. In order to maintain the high-end, upscale environment, no vending, gaming machines, automatic teller machines, Internet kiosks, or other mechanical or electrical devices are permitted in your Office.

We do not restrict the customers or patients to whom you may sell services and products, but you may not offer or sell products or services from any location other than your Office, and you may not place advertisements using our Marks in or originating from any area other than your Protected Area, without our prior written permission.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and the Area Development Agreement, and related agreements. You should read these provisions in the Franchise Agreement and Area Development Agreement attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Sections 2.1.	10 years following the Effective Date of the Franchise Agreement.
b. Renewal or extension of the	Section 2.2.	If you are in good standing, you can renew for one or more additional 10-year terms.

Provision	Section in Franchise Agreement	Summary
term		
c. Requirements for franchisee to renew or extend	Sections 2.2.	Your renewal right permits you to remain as a franchisee after the initial term of your Franchise Agreement expires. However, to remain a franchisee, you must meet all required conditions to renew, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this disclosure document, and pay the renewal fee. Other requirements are: you must, no less than 180 days prior to the expiration date of the Franchise Agreement, provide us with your notice of intent to renew; not be in default under the Franchise Agreement; have complied with your material obligations during the Term; you have satisfied all monetary obligations owed to us, our affiliates, and third party suppliers; you must, at our request, renovate or modernize your Office to comply with our then-current standards; demonstrate that you have the right to remain in possession of the Office premises; comply with the then-current qualifications and training requirements; sign our then-current form of franchise agreement which may contain materially different terms from your previous franchise agreement, including different Royalty Fee and Local Advertising rates; you and your owners sign a general release; and you pay to us the required renewal fee.
d. Termination by franchisee	Not applicable	Not applicable
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Sections 13.1., 13.2., 13.3., 13.4., and 13.5.	We can terminate if you materially default under your Franchise Agreement, or any other agreement between you and us, or our affiliates. In the event of the death or permanent incapacity of an owner, we may terminate if you fail to adhere to the applicable transfer of ownership

Provision	Section in Franchise Agreement	Summary
		requirements. We may also terminate you if you become insolvent or file for bankruptcy.
g. "Cause" defined – curable defaults	Sections 13.3., 13.4. and 13.5	You have 10 days to cure non-payment of fees, 30 days to cure non-compliance with laws, failure of quality assurance inspection, and defaults not listed in Section 13.2. You have six months to transfer the interest of an owner in the event of death or permanent incapacity.
h. "Cause" defined – non-curable defaults	Sections 13.1. and 13.2.	Non curable defaults include: bankruptcy, foreclosure, insolvency, conviction of a felony, abandonment, unapproved transfers, repeated defaults (even if cured), misrepresentations in acquiring your license, health or safety violations, knowingly understating your Gross Collections, knowingly maintaining false books or records, trademark misuse, failure to successfully complete training, failure to acquire a site by the Control Date, failure to open the Office by the Opening Date, abandonment of the Office, failure to maintain the right to operate the Office, violation of confidentiality and/or non-competition covenants, offering unauthorized products or services, purchases from unapproved suppliers, fail to pass two or more quality assurance/health inspections and or participate in any advertising or marketing program within any rolling 12-month period.
i. Franchisee's obligations on termination/ nonrenewal	Article 14	You must cease use of our trademarks, de-identify, pay all amounts due to us, and return the Manuals to us. We may, at our option, assume all telephone numbers, telephone listings, and telephone directory advertisements for the Office. We may, at our option, assume your lease and purchase certain Office assets. You must, at our option, cancel or assign to us your rights to any Internet websites or web pages or e-mail addresses which contain our Proprietary Marks. (See also "r" below.)
j. Assignment of contract by	Section 12.1.	There are no restrictions on our right to assign.

Provision		Section in Franchise Agreement	Summary
	franchisor		
k.	"Transfer" by franchisee – definition	Sections 12.2., 12.3., and 12.4.	Includes transfer of the franchise or change in ownership of the entity which owns it.
l.	Franchisor's approval of transfer by franchisee	Section 12.4.	Transfers require our prior written consent, which will not be unreasonably withheld.
m.	Conditions for franchisor's approval of transfer	Section 12.4.	You must be in compliance with the Franchise Agreement and all other agreements with us or our affiliates; sign a general release; pay the transfer fee; and all of your monetary obligations to us, our affiliates, and your suppliers must be satisfied on or before the date of transfer. The new franchise owner must: meet our current qualifications; complete training; assume your obligations under the Franchise Agreement or, at our option, sign a new franchise Agreement in our then-current form (provided, that the term of the new Franchise Agreement will be the remaining term of the existing Franchise Agreement, unless additional terms are purchased by transferee, not to exceed a total transferred initial term of 10 years); at our election, refurbish the Office; sign a guaranty and a general release; pay transfer fee; and, if applicable, the Extended Term Fee. Additional requirements apply to business entities. (See also "r" below.)
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 12.8.	We can match any offer for your business.
o.	Franchisor's option to purchase franchisee's business	Section 14.4.	Upon expiration or termination of your Franchise Agreement, we have the option to purchase some or all of your equipment, furnishings and fixtures at their then-current fair market value which will be determined by a qualified independent third party of our choosing.

Provision	Section in Franchise Agreement	Summary
p. Death or disability of franchisee	Section 12.9.	Same requirements as for transfer in "m" above, except there is no transfer fee and we do not have a right of first refusal. If your interest is not transferred within six months following your (or a major member, partner or shareholder's) death or legal incapacity, your Franchise Agreement may be terminated.
q. Non-competition covenants during the term of the franchise	Section 15.1.	Neither you nor your owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with any business at any location that: (a) offers dental-related products or services as primary items; (b) offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System; or (c) offers or has granted franchises or licenses or establishes or has established joint ventures for the development and/or operation of businesses of the type described in the foregoing clauses (a) or (b). This covenant applies within the U.S., its territories or commonwealths, and worldwide (to the full extent permitted by applicable law). . You are prohibited from diverting any present or prospective customer of ours to a competitor.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.2.	Neither you nor your owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in any business that: (a) offers dental-related products or services as primary items; (b) offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System; or (c) offers or has granted franchises or licenses or establishes or has established joint ventures for the development and/or operation of businesses of the type described in the foregoing clauses (a) or (b). This covenant applies at your former Office location, or within a 30-mile radius of your former Office, or within a 30-mile radius of any other FLOSS® Office location for a period of two years following expiration, termination or transfer.

Provision	Section in Franchise Agreement	Summary
s. Modification of the agreement	Sections 18.1. and 18.2.	Must be in writing and signed by all parties
t. Integration/merger clause	Sections 18.1. and 18.2.	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any other representations or promises made outside the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 19.2. and 19.3[1]	Claims, controversies or disputes from or relating to the Franchise Agreement must be mediated, except for actions seeking injunctive relief and actions we bring which are related to or based on our Proprietary Marks or Confidential Information.
v. Choice of forum	Sections 19.2 and 19.3[1]	Mediation at the AAA Offices in the city in which we maintain our principal place of business at the time the mediation is initiated. Venue for any other proceeding is the courts in the county in which our principal business offices are located, currently in Fort Bend County, Texas (subject to applicable state law).
w. Choice of law	Section 19.1.	Subject to applicable state law, the Franchise Agreement is to be interpreted and construed under Texas law (without giving effect to any conflict of law) except that any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between us and you will not apply unless its jurisdictional requirements are met independently.

Area Development Agreement

Provision	Section in Area Development Agreement	Summary
a. Length of the Agreement term	Section 2.1	The period beginning on the effective date and ending on the earlier of: (i) the date on which you have completed your development obligations, or *(ii)* 12:00 midnight CST on the last day specified in the Development Schedule described in

Provision	Section in Area Development Agreement	Summary
		Attachment B of the Area Development Agreement.
b. Renewal or extension of the term	Section 4.4	Unless we consent in writing, you may not open more than the total number of Offices comprising your development obligation. You do not have the right to renew your Area Development Agreement.
c. Requirements for Developer to renew or extend	Not applicable	Not applicable
d. Termination by Developer	Not applicable	Not applicable
e. Termination by the franchisor without cause	Not applicable	Not applicable
f. Termination by the franchisor with "cause"	Sections 9.1, 9.2., 9.3, 9.4, 9.5, and 9.6	We can terminate if you materially default under your Area Development Agreement, an individual Franchise Agreement, or any other agreement between you and us or our affiliates. In the event of the death or permanent incapacity of an Owner, we may terminate if you fail to adhere to the applicable transfer requirements. Any default under any agreement between you and us or our affiliates, which you fail to cure provides an independent basis for termination of the Area Development Agreement.
g. "Cause" defined - curable defaults	Sections 9.3, 9.4 and 9.5	You have 10 days to cure a failure to (a) to obtain or maintain required insurance coverage, (b) pay amounts due us, (c) pay amounts due to your creditors, or (d) pay any amounts we advance on your behalf. You have 30 days to cure any other curable default, and in the case of a breach or default in the performance of your obligations under any Franchise or other agreement between you and us, the notice and cure provisions of the Franchise Agreement or other agreement will control. You have six months to transfer the interest of an Owner in the event of death or permanent incapacity.
h. "Cause" defined – non-curable defaults	Sections 9.1 and 9.2	Non-curable defaults include your bankruptcy and other financial insolvency-related events, final judgment and creditor execution against your business assets or foreclosure on your business assets. Non-curable defaults also include failure to complete the Development Schedule, conviction of

Provision		Section in Area Development Agreement	Summary
			a felony or certain types of crimes or offenses likely to have an adverse effect on the System, any attempted transfer in violation of the Area Development Agreement, violation of confidentiality and/or non-competition covenants, material misrepresentations in your franchise application, or three or more written notices of default are issued within any rolling 12-month period.
i.	Developer's obligation on termination/non-renewal	Sections 2.2 and 10.2	You will have no further right to develop or operate additional FLOSS® Offices which are not, at the time of termination, the subject of a then existing Franchise Agreement between you and us. If you have no existing Offices at the time of termination or non-renewal you must honor all post-termination obligations.
j.	Assignment of contract by franchisor	Section 8.1	There are no restrictions on our right to assign.
k.	"Transfer" by Developer – defined	Section 8.2, 8.3, 8.4, 8.5, and 8.8	Includes transfer to a business entity for convenience, transfer among Owners, transfer of a non-controlling interest in developer, transfer of the Area Development Agreement, transfer of a controlling interest in you, the sale or transfer of all or substantially all of the assets of any Office developed under the Area Development Agreement, the assignment of your right to enter into a Franchise Agreement to a business entity under common control with you, and private or public offerings of interest in you.
l.	Franchisor approval of transfer by Developer	Section 8.4	Transfers that do not result in a change of control of you may, subject to certain conditions described in the Area Development Agreement, be completed without our prior written consent. All other transfers require our prior written consent, which will not be unreasonably withheld.
m.	Conditions for franchisor approval of transfer	Section 8.4	You must be in compliance with the Area Development Agreement and all other agreements with us or our Affiliates. You must submit a written request which includes the proposed transfer terms to us at least 30 days prior to the proposed transfer for our consideration and consent. You and your Owners must sign a general release, and all of your monetary obligations to us must be satisfied on or before the date of transfer.

Provision		Section in Area Development Agreement	Summary
			You or the new developer must refurbish each Office as we determine necessary to meet the then-current System image requirements. You or the new developer must pay the related Transfer Fee. The new developer must: meet our current qualifications; sign our then-current form of area development agreement which may be materially different from your Area Development Agreement; and sign our then-current form of guaranty and personal undertaking. Additional requirements apply to business entities. (See also "r" below.)
n.	Franchisor's right of first refusal to acquire Developer's business	Section 8.9	We may match any offer to purchase your business.
o.	Franchisor's option to purchase Developer's business	Not applicable	Not applicable
p.	Death or disability of Developer	Section 8.10	Same requirements as for a transfer in "m" above. If your interest is not transferred within six months following your (or a major member, partner or shareholder's) death or legal incapacity, your Area Development Agreement may be terminated.
q.	Non-competition covenants during the term of the Agreement	Section 10.1	Neither you nor your Owners may have any involvement in any business (other than a FLOSS® Office operated under a valid Franchise Agreement with us) that: (a) offers dental-related products or services as primary items; (b) offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System; or (c) offers or has granted franchises or licenses or establishes or has established joint ventures for the development and/or operation of businesses of the type described in the foregoing clauses (a) or (b). This covenant applies within the United States, its territories or commonwealths, and worldwide (to the full extent permitted by applicable law).
r.	Non-competition covenants after the Agreement is	Section 10.2	Except for the FLOSS® Offices you have developed and continue to operate under a valid Franchise Agreement with us, neither you nor your

Provision		Section in Area Development Agreement	Summary
	terminated or expires		Owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in any business that: (a) offers dental-related products or services as primary items; (b) offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System; or (c) offers or has granted franchises or licenses or establishes or has established joint ventures for the development and/or operation of businesses of the type described in the foregoing clauses (a) or (b). This covenant applies a at your former Office location or within a 30-mile radius of your former Office or within a 30-mile radius of any other FLOSS® Office for a period of two years following expiration, termination or transfer.
s.	Modification of the Area Development Agreement	Sections 13.1 and 13.2	Must be in writing and signed by all parties.
t.	Integration/merger clause	Section 13.1	Only the terms of the Area Development Agreement and are binding (subject to applicable state law). Any other representations or promises made outside the disclosure document and Area Development Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 14.2	Claims, controversies or disputes from or relating to the Area Development Agreement must be mediated, except for actions seeking injunctive relief and actions we bring which are related to or based on our Proprietary Marks or Confidential Information.
v.	Choice of forum	Sections 14.2 and 14.3	Mediation at the AAA Offices in the city in which we maintain our principal place of business at the time the mediation is initiated. Venue for any other proceeding is the courts in the county in which our principal business offices are located, currently in Fort Bend County, Texas (subject to applicable state law).
w.	Choice of law	Section 14.1	Subject to applicable state law, the Area Development Agreement is to be interpreted and construed under Texas law (without giving effect to any conflict of laws) except that any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between us and you will not apply unless its jurisdictional requirements are met

Provision	Section in Area Development Agreement	Summary
		independently.

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure to promote the 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 Franchise Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The following disclosures are historical financial performance representations of all of our affiliates' existing operations.

The first table discloses annual Adjusted Production (defined in the notes) and Gross Collections (defined in the notes) for each calendar year each location has been in business (including partial years).

The second set of tables are statements of income and expenses for all of our affiliates' existing operations for calendar years 2018, 2019 and 2020.

The disclosures are based on our affiliates' records. The information has not been audited.

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Adjusted Production and Gross Collections Since Opening

Practice Location	Calendar Year	Adjusted Production	Gross Collections
FLOSS Sugar Land, Texas			
	2013	482,376	405,149
	2014	887,532	836,901
	2015	1,400,000	1,350,000
	2016	1,520,000	1,423,706
	2017	1,440,000	1,399,119
	2018	1,490,000	1,411,853
	2019	1,550,000	1,555,788
	2020	1,409,136.41	1,394,398.43
FLOSS Magnolia, Texas			
	2016	24,885	5,414
	2017	622,785	280,252
	2018	1,340,000	1,094,545
	2019	1,100,000	1,189,270
	2020	1,207,188.41	1,188,050.87
FLOSS Midtown, Texas			
	2017	45,723	16,330
	2018	978,729	813,871
	2019	940,986	1,007,888
	2020	1,246,994.99	1,032,821.31
FLOSS West Oaks, Texas			
	2018	121,064	56,006
	2019	567,891	393,357
	2020	341,280	294,506.51

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FLOSS Sugar Land, Texas
MINESH B. PATEL, PLLC
STATEMENT OF REVENUE & EXPENSES - INCOME TAX BASIS

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

For 12 Months Ending December 31, 2020

	TOTAL
Income	$1,394,398.43
4000 Patient Fees	
5000 Patient Refunds	
Total 4000 Patient Fees	
Total Income	
GROSS PROFIT	**$1,394,398.43**
Expenses	
Royalties[6]	**69,719.92**
6000 Dental Supplies	$75,655.77
6100 Lab Fees	**125,128.22**
6200 Rent & Facility	**88,606.27**
6300 Equipment & Financing	**55,298.04**
6363 Continuing Education/Seminars	**6,422.42**
6400 Advertising & Marketing	**51,436.19**
Advertising Adjustment[6]	**8,563.81**
6500 General & Administrative	**157,445.66**
6600 Team Expenses 6610 Contract Labor	86,415.56
6640 Payroll Taxes	33,143.95
6650 Salaries	334,654.70
6654 Salaries-- Dental Staff	
6655 Salary--Owner Dentist	101,200
Total 6650 Salaries	435,854.70
Total 6600 Team Expenses	**555,848.73**
Total Expenses	**1,115,841.30**
NET OPERATING INCOME	**278,557.13**
Other Expenses	
NET OTHER INCOME	**83,391.20**
NET INCOME	**361,948.33**

FLOSS Sugar Land, Texas
MINESH B. PATEL, PLLC
STATEMENT OF REVENUE & EXPENSES - INCOME TAX BASIS

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

For 12 Months Ending December 31, 2019

	TOTAL
Income	1,555,788.92
4000 Patient Fees	
5000 Patient Refunds	-15,421.82
Total 4000 Patient Fees	**1,540,367.10**
Total Income	**$1,540,367.10**
GROSS PROFIT	**$1,540,367.10**
Expenses	
Royalties[6]	**77,018.36**
6000 Dental Supplies	**62,813.30**
6100 Lab Fees	**137,181.29**
6200 Rent & Facility	**97,044.45**
6300 Equipment & Financing	**16,546.24**
6363 Continuing Education/Seminars	**2,100.00**
6400 Advertising & Marketing	**72,958.92**
6500 General & Administrative	**114,745.03**
6600 Team Expenses 6610 Contract Labor	96,290.14
6640 Payroll Taxes	38,482.68
6650 Salaries	378,993.19
6654 Salaries-- Dental Staff	
6655 Salary--Owner Dentist	119,600.00
Total 6650 Salaries	498,593.19
Total 6600 Team Expenses	**633,366.01**
Total Expenses	**$1,213,773.60**
NET OPERATING INCOME	**$326,593.51**
Other Expenses	$1,040.00
NET OTHER INCOME	**($1,040.00)**
NET INCOME	**$325,553.51**

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FLOSS Sugar Land, Texas
MINESH B. PATEL, PLLC
STATEMENT OF REVENUE & EXPENSES - INCOME TAX BASIS

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

For 12 Months Ending December 31, 2018

	TOTAL
Income	1,411,853.58
4000 Patient Fees	
5000 Patient Refunds	-2,749.50
Total 4000 Patient Fees	**1,409,104.08**
Total Income	**$1,409,104.08**
GROSS PROFIT	**$1,409,104.08**
Expenses	
Royalties[6]	**70,455.20**
6000 Dental Supplies	**79,074.20**
6100 Lab Fees	**138,087.94**
6200 Rent & Facility	**96,788.87**
6300 Equipment & Financing 6310 Depreciation Expense	23,727.00
6320 Interest Expense	14,843.97
6330 Repairs and Maintenance	895
Total 6300 Equipment & Financing	**39,465.97**
6363 Continuing Education/Seminars	**4,120.00**
6400 Advertising & Marketing	**51,683.50**
Advertising Adjustment[6]	**8,316.50**
6500 General & Administrative	**120,231.21**
6600 Team Expenses 6610 Contract Labor	128,273.65
6640 Payroll Taxes	36,611.93
6650 Salaries	351,993.46
6655 Salary--Owner Dentist	119,600.00
Total 6650 Salaries	471,593.46
Total 6600 Team Expenses	**636,479.04**
Total Expenses	**$1,244,702.43**
NET OPERATING INCOME	**$164,401.65**
NET INCOME	**$164,401.65**

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FLOSS Magnolia, Texas
FM HOU LLC
STATEMENT OF REVENUE & EXPENSES - INCOME TAX BASIS

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

For 12 Months Ending December 31, 2020

	TOTAL
Income	$1,188,050.87
4000 Patient Fees	
5000 Patient Refunds	
Total 4000 Patient Fees	
Total Income	**$1,188,050.87**
GROSS PROFIT	**$1,188,050.87**
Expenses	
Royalties[6]	**59,402.54**
6000 Dental Supplies	127,561.58
6100 Lab Fees	**55,545.57**
6200 Rent & Facility	**86,018.81**
6300 Equipment & Financing	**66,514.81**
6363 Continuing Education/Seminars	
6400 Advertising & Marketing	**92,114.89**
6500 General & Administrative	**175,,672.26**
6600 Team Expenses 6610 Contract Labor	111,777.13
6640 Payroll Taxes	28,684.01
6650 Salaries	255.578.90
6654 Salaries-- Dental Staff	
6655 Salary--Owner Dentist	116,000.00
Total 6650 Salaries	371,578.90
Total 6600 Team Expenses	
Total Expenses	**1,120,230.58**
NET OPERATING INCOME	**67,820.29**
Other Expenses	11,367.42
NET OTHER INCOME	**-11,367.42**
NET INCOME	**$56,452.87**

FLOSS Magnolia, Texas
FM HOU LLC
STATEMENT OF REVENUE & EXPENSES - INCOME TAX BASIS

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

For 12 Months Ending December 31, 2019

	TOTAL
Income	$1,189,270.53
GROSS PROFIT	**$1,189,270.53**
Expenses	**141,534.76**
Royalties[6]	**59,463.53**
Dental Supplies	**72,887.91**
Lab Fees	**65,243.59**
Rent & Facility	**69,277.03**
Equipment & Financing	**65,035.65**
Advertising & Marketing	**185,836.52**
General & Administrative	**58,937.23**
Team Expenses	
Salaries	259,162.04
Salaries—Dental Staff	
Salary--Owner Dentist	60,000.00
Total Salaries	**319,162.04**
Uniforms	1,127.81
Total Expenses	**$1,038,506.07**
NET OPERATING INCOME	**$150,764.46**
Other Expenses	($294.38)
NET OTHER INCOME	**$294.38**
NET INCOME	**$151,058.84**

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FLOSS Magnolia, Texas
FM HOU LLC
STATEMENT OF REVENUE & EXPENSES - INCOME TAX BASIS

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

For 12 Months Ending December 31, 2018

	TOTAL
Income	1,094,544.72
GROSS PROFIT	**$1,094,544.72**
Expenses	**119,560.19**
Royalties[6]	**54,727.24**
Dental Supplies	**77,660.63**
Lab Fees	**65,914.32**
Rent & Facility	**321,827.49**
Equipment & Financing	**81,712.95**
Advertising & Marketing	**147,939.98**
General & Administrative	**59,129.95**
Team Expenses	
Salaries	184,875.68
Salaries—Dental Staff	
Salary--Owner Dentist	100,000.00
Total Salaries	**284,875.68**
Uniforms	1,676.79
Total Expenses	**$1,215,025.22**
NET OPERATING INCOME (LOSS)	**($120,480.50)**
NET INCOME (LOSS)	**($120,480.50)**

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FLOSS Midtown, Texas
MICHAEL TRAN CITY CENTRE, PC
STATEMENT OF REVENUE & EXPENSES - INCOME TAX BASIS

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

For 12 Months Ending December 31, 2020

	TOTAL
Income	$1,032,821.31
4000 Patient Fees	
5000 Patient Refunds	
Total 4000 Patient Fees	
Total Income	**1,032,821.31**
GROSS PROFIT	**1,032,821.31**
Expenses	
Royalties[6]	**51641.06**
6000 Dental Supplies	**132,156.76**
6100 Lab Fees	**76,788.59**
6200 Rent & Facility	**79,401.43**
6300 Equipment & Financing	**67,216.23**
6363 Continuing Education/Seminars	
6400 Advertising & Marketing	**104,982.25**
6500 General & Administrative	**147,886.83**
6600 Team Expenses 6610 Contract Labor	28,360.29
6640 Payroll Taxes	24,201.35
6650 Salaries	287,060.30
6654 Salaries-- Dental Staff	
6655 Salary--Owner Dentist	35,000
Total 6650 Salaries	322,060.30
Total 6600 Team Expenses (Uniforms)	**3,374.12**
Total Expenses	**986,428.15**
NET OPERATING INCOME	**46,393.16**
Other Expenses	17,301.40
NET OTHER INCOME	**-17,301.40**
NET INCOME	**29,091.76**

FLOSS Midtown, Texas
MICHAEL TRAN CITY CENTRE, PC
STATEMENT OF REVENUE & EXPENSES - INCOME TAX BASIS

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

For 12 Months Ending December 31, 2019

	TOTAL
Income	1,007,888.53
Patient Fees	
Patient Refunds	-15,168.30
Total Income	**$992,720.23**
GROSS PROFIT	**$992,720.23**
Expenses	**113,013.85**
Royalties[6]	**49,636.01**
Dental Supplies	**73,784.03**
Lab Fees	**104,169.51**
Rent & Facility	**65,363.30**
Equipment & Financing	**115,710.73**
Advertising & Marketing	**137,738.15**
General & Administrative	**66,293.93**
Team Expenses	
Salaries	237,240.03
Salaries—Dental Staff	
Salary--Owner Dentist	35,000.00
Total Salaries	**272,240.03**
Uniforms	441.86
Total Expenses	**$998,391.40**
NET OPERATING INCOME (LOSS)	**($5,671.17)**
Other Expenses	$3,644.66
NET OTHER INCOME (LOSS)	**($3,644.66)**
NET INCOME (LOSS)	**($9,315.83)**

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FLOSS Midtown, Texas
MICHAEL TRAN CITY CENTRE, PC
STATEMENT OF REVENUE & EXPENSES - INCOME TAX BASIS

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

For 12 Months Ending December 31, 2018

	TOTAL
Income	$813,871.09
GROSS PROFIT	**$813,871.09**
Expenses	**97,143.41**
Royalties[6]	**40,693.55**
Dental Supplies	**59,707.52**
Lab Fees	**72,197.63**
Rent & Facility	**78,174.38**
Equipment & Financing	**114,210.14**
Advertising & Marketing	**145,663.97**
General & Administrative	**57,364.53**
Team Expenses	
Salaries	111,830.62
Salaries—Dental Staff	
Total Salaries	**111,830.62**
Uniforms	1,137.33
Total Expenses	**$778,123.08**
NET OPERATING INCOME	**$35,748.01**
NET INCOME	**$35,748.01**

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FLOSS West Oaks, Texas
FLOSS WEST OAKS, LLC
STATEMENT OF REVENUE & EXPENSES - INCOME TAX BASIS

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

For 12 Months Ending December 31, 2020

	TOTAL
Income	$283,972.85
4000 Patient Fees	
5000 Patient Refunds	-745.60
Total 4000 Patient Fees	**11,279.26**
Total Income	**294,506.51**
GROSS PROFIT	**294,506.51**
Expenses	
Royalties[6]	**14,725.32**
6000 Dental Supplies	**25,246.53**
6100 Lab Fees	**17,017.33**
6200 Rent & Facility	**97,490.96**
6300 Equipment & Financing	**58,451.06**
6363 Continuing Education/Seminars	
6400 Advertising & Marketing	**50,266.04**
Advertising Adjustment[6]	**9,733.96**
6500 General & Administrative	**39,175.65**
6600 Team Expenses 6610 Contract Labor	16,127.75
6640 Payroll Taxes	5,157.03
6650 Salaries	61,497.04
6654 Salaries-- Dental Staff	
6655 Salary--Owner Dentist uniforms	68.20
Total 6650 Salaries	
Total 6600 Team Expenses	**82,850.02**
Total Expenses	**370,497.59**
NET OPERATING INCOME	**-75,991.08**
Other Expenses	
NET OTHER INCOME EIDL Grant	**3,000**
NET INCOME	**-72,991.08**

FLOSS West Oaks, Texas
FLOSS WEST OAKS, LLC
STATEMENT OF REVENUE & EXPENSES - INCOME TAX BASIS

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

For 12 Months Ending December 31, 2019

	TOTAL
Income	393,357.54
4000 Patient Fees	
5000 Patient Refunds	-959.4
Total Income	**$392,398.14**
GROSS PROFIT	**$392,398.14**
Expenses	
Royalties[6]	**19,619.91**
6000 Dental Supplies	**19,078.45**
6100 Lab Fees	**24,103.58**
6200 Rent & Facility	**92,615.03**
6300 Equipment & Financing	**19,932.27**
6400 Advertising & Marketing 6401 Advertising and Promotion	56,723.58
Advertising Adjustment[4, 6]	10,776.42
Total 6400 Advertising & Marketing	**67,500**
6500 General & Administrative	**42,887.87**
6600 Team Expenses 6610 Contract Labor	65,384.65
6640 Payroll Taxes	8,202.91
6654 Salaries—Dental Staff	82,313.32
Total 6600 Team Expenses	**155,900.88**
Total Expenses	**$441,637.99**
NET OPERATING INCOME	**($49,239.85)**
Other Expenses	**$0.00**
NET OTHER INCOME	**$0.00**
NET INCOME	**($49,239.85)**

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FLOSS West Oaks, Texas
FLOSS WEST OAKS, LLC
STATEMENT OF REVENUE & EXPENSES - INCOME TAX BASIS

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

For 12 Months Ending December 31, 2018

	TOTAL
Income	56,006.69
4000 Patient Fees	
Total Income	**$56,006.69**
GROSS PROFIT	**$56,006.69**
Expenses	
Royalties[6]	**2,800.33**
6000 Dental Supplies	**16,620.03**
6100 Lab Fees	**267**
6200 Rent & Facility	**39,341.03**
6300 Equipment & Financing 6310 Depreciation Expense	104,668.00
6320 Interest Expense	5,757.85
Total 6300 Equipment & Financing	**110,425.85**
6400 Advertising & Marketing	**15,256.52**
Advertising Adjustment[4, 6]	**29,743.48**
6500 General & Administrative	**7,787.04**
6600 Team Expenses 6610 Contract Labor	22,240.00
6640 Payroll Taxes	3,066.08
6654 Salaries—Dental Staff	30,686.38
Total 6600 Team Expenses	**55,992.46**
Total Expenses	**$278,233.74**
NET OPERATING INCOME	**($222,227.05)**
NET INCOME	**($222,227.05)**

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Notes:

1. **Some outlets have sold this amount. Your individual results may differ. There is no assurance you'll sell as much.**

2. As of December 31, 2020, we had four affiliates in operation and no franchises in operation. All four affiliate-owned operations are included in this financial performance representation.

3. For purposes of this Item 19, the following definitions and explanations shall apply:

"Adjusted Production" means total amounts billed to patients, minus any write-offs, refunds, discounts, coupons, and sales taxes.

"Gross Collections," "Total Income" and "Gross Profit" mean all receipts generated by the practice from any source, but it does not include write-offs, refunds, discounts, coupons, and sales taxes.

"Net Income" means Gross Collections minus ordinary and recurring operating expenses.

4. The Statement of Revenue & Expenses for FLOSS WEST OAKS, LLC for calendar year 2018 is for a partial year as this outlet began business operations on or about mid-August 2018. The Statements for this entity for 2018 and 2019 each include an "Advertising Adjustment" to reflect advertising expenditures of $10,000 per month for the first six months of operations as described in Note 6 below. More specifically, the Statement for 2018 reflects 4.5 months at $10,000 per month advertising for a total of $45,000. The Statement for 2019 reflects 1.5 months at $10,000 per month advertising for a total of $15,000, plus 10.5 months at $5,000 per month advertising for a total of $52,500 (and a grand total of $67,500).

5. Characteristics of the included affiliate-owned operations may be similar to, or differ substantially from, your franchised operations depending upon several factors, including the following: (1) business and management experience and length of operations (note that all or our affiliates' locations have been in operation for at least two years, and the Sugar Land location has been in operation since 2013); (2) competition in your area (like our affiliates, we anticipate that our franchisees will be in market areas with at least fairly significant competition); (3) type of business premises (like our affiliates' business premises, we anticipate that franchisees will typically be located in or adjacent to an upscale strip center or lifestyle center, end cap, inline, or freestanding along major freeways and retail corridors); (4) clinical competency of a dentist based on experience and other factors; and (5) the services and products sold at your outlet as compared to the included outlets, which may vary depending on the a dentist's clinical competency.

6. The income and expense statements reflect royalty fees calculated at 5% of Gross Collections even though our affiliates did not pay such royalties. The income and expense statements reflect adjustments to the actual advertising and marketing expenditures to demonstrate expenses equal to or greater than the minimum advertising and marketing expenditures required by the franchise agreement (at least $10,000 per month during each of the first 6 months of operations, and at least $5,000 per month thereafter).

7. The financial performance figures in the first table do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business.

8. The income and expense statements for Sugar Land, Magnolia, and Midtown (2019 only), each reflect the salary for the owner-dentist. The owners-dentists for the Midtown (2018) and West Oaks locations did not receive salaries because the locations were still within their first years of operations.

9. Written substantiation of this financial performance representation will be made available to you upon reasonable request.

Except for the foregoing financial performance representations, 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 Damien A. Morales, FLOSS, LLC, 2707 Milam St. Ste. C, Houston, Texas, 77006; 903-815-0224, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary

For Years 2018, 2019 and 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	0	0	0
	2019	0	0	0
	2020	0	0	0
Company Owned[1]	2018	3	4	+1
	2019	4	4	0
	2020	4	4	0
Total Outlets	2018	**3**	**4**	**+1**
	2019	**4**	**4**	**0**
	2020	**4**	**4**	**0**

Note 1: For purposes of this Item 20, affiliate-owned outlets are reflected as company-owned.

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)

For Years 2018, 2019 and 2020

State	Year	Number of Transfers
Texas	2018	0
	2019	0
	2020	0
Totals	2018	0

State	Year	Number of Transfers
	2019	0
	2020	0

Table No. 3

Status of Franchised Outlets

For Years 2018, 2019 and 2020

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
All States	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Totals	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0

Table No. 4

Status of Company-Owned Outlets

For Years 2018, 2019 and 2020

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Texas	2018	3	1	0	0	0	4
	2019	4	0	0	0	0	4
	2020	4	0	0	0	0	4
Total	2018	3	1	0	0	0	4
	2019	4	0	0	0	0	4
	2020	4	0	0	0	0	4

Table No. 5

Projected Openings

As of December 31, 2020 (Through December 31, 2021)

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
South Carolina	0	1	0
Texas	1	3	0
Totals	1	4	0

Our current list of the names and current addresses of our franchisees and certain former franchisees is located in Exhibit F. No franchisee has not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year. No franchisee has not communicated with us within 10 weeks of the issuance date of this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisee has signed within the last three years a confidentiality clause with us that would restrict the franchisee's ability to openly communicate with you. There are no franchisee organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21
FINANCIAL STATEMENTS

We have not been in business for three years or more and cannot include all of the financial statements otherwise required under this Item. Attached to this Franchise Disclosure Document as Exhibit E are our audited financial statements as of December 31, 2020. Our fiscal year end is December 31.

Also attached are our unaudited financial statements as of June 30, 2021. The attached unaudited financial statements are prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no certified public accountant has audited these figures. Since they have not been audited they do not reflect the corrections or adjustments an audit might require.

ITEM 22
CONTRACTS

Attached as Exhibit A is our current form of Franchise Agreement with the following Attachments:

Attachment A	Glossary of Additional Terms
Attachment B	The Site Selection Area, Control Date, Franchised Location, Opening Date, and the Protected Area
Attachment C	Entity Information
Attachment D-1	Personal Guaranty and Undertaking
Attachment D-2	Confidentiality and Non-competition Agreement
Attachment E	ACH Authorization
Attachment F	Lease Addendum
Attachment G	Telephone Number Assignment Agreement
Attachment H	Franchisee Questionnaire

Attached as Exhibit B is our current form of Area Development Agreement with the following Attachments:

Attachment A	Glossary of Additional Terms
Attachment B	Office Development Area and Development Schedule
Attachment C	Entity Information
Attachment D	Personal Guaranty and Undertaking
Attachment E	Form of Franchise Agreement

Attached as Exhibit C is our current form of General Release (Sample Form Only).

Attached as Exhibit ~~H~~I is the Franchise Agreement SBA Addendum (only for franchisees getting SBA financing).

ITEM 23
RECEIPTS

Two copies of a receipt of this disclosure document appear as Exhibit ~~J~~I. Please return one copy to us and retain the other for your records.

EXHIBIT A

FRANCHISE AGREEMENT

FLOSS, LLC
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGES

EFFECTIVE DATE:	_____
FRANCHISEE:	_____
FRANCHISEE'S ADDRESS FOR NOTICES:	_____ _____
TELEPHONE NUMBER:	_____
FACSIMILE NUMBER:	_____
E-MAIL ADDRESS:	_____
FRANCHISE LOCATION:	_____
CONTROL DATE:	_____
OPENING DATE:	_____
INITIAL FRANCHISE FEE:	☐ $35,000 payable upon execution of this Franchise Agreement ☐ ***[$_____]***; ***[$_____]*** (representing 50% of the Initial Franchise Fee) payable upon execution of this Franchise Agreement, plus ***[$_____]*** (representing 50% of the Initial Franchise Fee), which was previously paid upon execution of the Area Development Agreement.
LOCAL ADVERTISING REQUIREMENT:	$10,000 per month during the Office's first 6 full months of operation; Afterwards, $5,000 minimum per month (refer to Section 9.2. of this Agreement)
ROYALTY FEE:	5% of Gross Collections per month
RENEWAL FEE:	$10,000
TRANSFER FEE:	Reimbursement of Franchisor's related costs and expenditures for transfers made for convenience of operation (refer to Section 12.2 of this Agreement) $2,500 for assignments of non-controlling interest (refer to Section 12.3. of this Agreement), provided, however, that if Franchisor determines any new Owners must undergo training, Franchisor may charge a reasonable tuition for such training and Franchisee agrees to cover all related travel, lodging, and dinning costs. 50% of Franchisor's then-current initial franchise fee, plus reimbursement of Franchisor's costs in facilitating the transfer (including reasonable attorneys' fees) for assignments transferring complete interest (refer to Section 12.4. of this Agreement)

EXTENDED TERM FEE: (TRANSFER ONLY)	$1,000 per year added (not to exceed a total initial term of 10 years)

FRANCHISOR

ADDRESS FOR NOTICES:
FLOSS, LLC
15921 City Walk,
Sugar Land, Texas 77479
Attention: President

FLOSS, LLC
FRANCHISE AGREEMENT

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FLOSS, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into as of the Effective Date reflected in the Summary Pages (the "**Effective Date**") by and between FLOSS, LLC, a Texas limited liability, ("**we/us**" or "**Franchisor**"), and the franchisee identified in the Summary Pages (referred to in this Agreement as "**you**" or "**Franchisee**").

A. Franchisor has acquired the license to use and to sublicense the use of an upscale Office ("**Office**") featuring a full range of dental services, including cosmetic dentistry, by utilizing the newest technology and our non-clinical/non-dental methods of operation under the trade name and trademark FLOSS® (the "**System**").

B. The distinguishing characteristics of the System include, without limitation, the combination of services and products provided, distinctive exterior and interior design, decor, color scheme, fixtures, and furnishings; standards and specifications for products and supplies; service standards; uniform standards, specifications, and procedures for operations; procedures for inventory and management control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time.

C. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark "**FLOSS**" and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the "**Proprietary Marks**").

D. You desire to enter into the business of operating an Office under the System and Proprietary Marks (the "**Office**" or "**Franchised Business**") and Franchisor desires to grant you such rights, all pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration for the mutual premises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. GRANT

1.1. Grant.

1.1.1. Franchisor grants to you the right to use the System and Proprietary Marks solely in connection with the operation of the FLOSS® Franchised Business, and you accept the right and undertake the obligation, all according to the terms and conditions contained in this Agreement.

1.1.2. This franchise includes only the right ***(a)*** to use the System and Proprietary Marks in connection with the retail sale of authorized products and services at the Office location identified or to be identified in Attachment B ("**Franchised Location**"); and ***(b)*** to use the Proprietary Marks to advertise and promote the Office.

1.1.3. This Agreement specifically grants you no right, among others, to ***(a)*** sublicense the use of the System or Proprietary Marks, ***(b)*** to Co-brand with another concept, or ***(c)*** to deliver or ship FLOSS® products, regardless of the destination, without Franchisor's prior written consent; or ***(d)*** to distribute FLOSS® products through wholesale channels, such as mail order, catalog sales, or Internet sales.

1.2. Protected Area. During the term of this Agreement, and except for sales in "**Closed Markets**" (which are carved out from territorial protection, as described in Attachment B) Franchisor shall not ***(a)*** own or operate, or grant anyone else the right to operate, an Office or ***(b)*** sell or license anyone the right to sell products and services under "FLOSS" trademark within the Protected Area identified in Attachment B. If Franchisor and Franchisee cannot agree on the radius of the Protected Area, then the Franchisor will reasonably determine the Protected Area based on its then-current criteria.

1.3. Reservation of Rights. Franchisor reserves to itself all other rights in and to use the Proprietary Marks including ***(a)*** the right to own and operate and to grant others the right to own and operate Offices outside the Protected Area, regardless of their proximity to the Protected Area; ***(b)*** to own and operate FLOSS® Offices and license the use of the Marks and System or grant others the right to own and operate FLOSS® Offices in Closed Markets within and outside the Protected Area; and ***(c)*** the right to distribute products and services identified by the Proprietary Marks through alternative channels of distribution including mail order, catalog sales, department stores, retail stores, supermarkets, and/or Internet sales.

1.4. Right to Operate Businesses Under Different Proprietary Marks. Nothing in this Agreement prohibits or restricts Franchisor from ***(a)*** owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (*i.e.*, a mark other than FLOSS® whether or not the business is the same as or competitive with FLOSS® Offices; or ***(b)*** owning, operating, or franchising one or more businesses offering similar products or services under the name FLOSS® or some derivative of the Proprietary Marks.

2. TERM

2.1. Term. The term of this Agreement shall begin on the Effective Date and shall expire, unless earlier terminated, on the 10th anniversary of the Effective Date of this Agreement.

2.2. Successor Terms. You may renew the franchise granted by this Agreement for an additional 10-year term, if, at the end of the initial term, each of the following conditions has been satisfied:

2.2.1. You have notified Franchisor of your intent to renew the franchise no less than 180 days and no more than 12 months prior to expiration of the then-current term;

2.2.2. You are not in default of any material provision of this Agreement and you have complied with the materials terms and conditions of this Agreement throughout the term;

2.2.3. You have satisfied all monetary obligations owed to Franchisor, its Affiliates and third-party suppliers;

2.2.4. You have renovated and refurbished the Office premises so that they reflect Franchisor's then-current image, trade dress, equipment, and furnishings requirements;

2.2.5. You have demonstrated to Franchisor's satisfaction that you have the right to remain in possession of the Office premises, or you have secured an alternate site with Franchisor's prior approval;

2.2.6. You comply with the then-current qualifications and training requirements;

2.2.7. You sign Franchisor's then-current form of franchise agreement, the terms of which may be materially different than the terms of this Agreement (we anticipate that the then-current form of franchise agreement will contain similar renewal rights and conditions, but we reserve the right to modify such rights and conditions), and each Owner executes a personal guaranty and undertaking in the form Franchisor prescribes;

2.2.8. You and each Owner sign a general and full release in favor of Franchisor and its Affiliates, and their respective, officers, directors, shareholders, members, managers, employees, and agents, of any claims arising out of or related to the franchise relationship including the offer and sale of FLOSS® franchise opportunity; and

2.2.9. You have paid the Renewal Fee in the amount specified in the Summary Pages.

2.3 Holdover. In the event you continue operating the Office following the natural expiration of this Agreement, such arrangement will be considered an extension of this Agreement; provided that the Royalty Fee and Local Advertising rate will equal to 125% of the rates described in the Summary Pages.

In addition, your Owners agree to indemnify Franchisor in the event that such operation causes any cost, expense, liability or damage to you or Franchisor. The inclusion of this Section 2.3 shall not be construed as Franchisor's permission for you to continue operations after the natural expiration of this Agreement.

3. SITE SELECTION; CONSTRUCTION; STORE LOCATION

3.1. Site Selection. You must identify and acquire a site for the Office by the Control Date (the "**Control Date**") specified in the Summary Pages and Attachment B. The site must be located within the Site Selection Area (the "**Site Selection Area**") identified in Attachment B, must meet Franchisor's then-current site selection criteria, and must otherwise be mutually acceptable to you and to Franchisor. Franchisor may assist you in site selection, in its sole discretion, which assistance may include making available to you the services of the Franchisor's designated commercial realtor, and you agree to directly pay the agent's fee. Ultimately site selection is solely your responsibility. If Franchisor conducts an on-site evaluation of your proposed site or provides in-person site selection assistance, Franchisor will not charge a fee for such first-time services. Franchisor may charge $500 for the second and any additional on-site evaluation or site selection assistance performed, and you must also pay or reimburse Franchisor its related out-of-pocket costs, including the costs of all transportation, lodging, and meals. Once you have acquired the site for the Office, Franchisor and you will mutually agree upon a Protected Area and Attachment B will be supplemented accordingly.

3.2. Franchise Site Application. For each proposed site that you identify, you must deliver to Franchisor a completed franchise site application in a form Franchisor prescribes, including such information about the site as Franchisor may reasonably request to perform its evaluation. This information may include, among other things, a description of the proposed site, demographic and psychographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses, the nature of other businesses in proximity to the site, and other commercial characteristics (including the purchase price, rental obligations, and other lease terms for the proposed site) and the size, appearance, other physical characteristics, and a site plan of the premises. Franchisor will approve or refuse to approve a proposed site within 30 days after the receipt of these documents and any additional information as Franchisor may reasonably require. Franchisor's failure to provide notification within this time period shall not be considered either approval or disapproval. **The parties acknowledge and agree that Franchisor's site approval is not an assurance that the Office will achieve a certain sales volume or level of profitability; it means only that the proposed site meets Franchisor's minimum criteria for FLOSS® Offices.**

3.3. Lease. If you will occupy the Franchised Location under a lease with a third-party landlord, Franchisor shall have the right to approve the lease terms, and the lease shall not be signed until it has been reviewed and approved by Franchisor. **The parties acknowledge and agree that Franchisor's approval of a lease does not mean that the economic terms of the lease are favorable, it means only that the lease contains the lease terms that Franchisor requires.** The lease must also contain the terms reflected in Attachment F, including Franchisor's option to assume the lease in the event of expiration or termination of this Agreement. The lease must be completed on or before the Control Date, and you shall provide to Franchisor a fully executed copy of the lease within 10 days after its execution.

3.4. Office Design and Build Out. You agree to follow Franchisor's procedures for the Office construction and build out, and you agree to construct and build out the Office according to Franchisor's standards and specifications for design, décor and layout, and shall equip the Office according to Franchisor's requirements for fixtures, furnishings, equipment, interior and exterior signage, artwork and graphics, and awnings. If you request on-site construction oversight assistance, or if Franchisor deems on-site construction oversight assistance necessary, you must pay Franchisor $500 per site visit and reimburse Franchisor the costs of transportation, lodging, and meals. You are solely responsible for obtaining all government approvals, zoning classifications, permits, and clearances related to the Office, and for complying with applicable requirements of the Americans with Disabilities Act. During construction, you must maintain general liability and property damage insurance of the type and with the

limits Franchisor requires, protecting you, Franchisor, and its Affiliates, and their respective partners, shareholders, directors, members, manager, agents, and employees. Such policy or policies shall be written by a responsible insurer or insurers acceptable to Franchisor and shall contain a waiver of subrogation in favor of Franchisor and its Affiliates, and their respective partners, shareholders, directors, members, managers, agents, and employees. You shall notify Franchisor in writing when construction begins, and thereafter shall provide a monthly progress report. Franchisor and its designees have the right to inspect the site at all reasonable times.

3.5. Opening.

3.5.1. When a site is identified, the parties will mutually agree on an opening date ("**Opening Date**"), which will be no later than 90 days from the date you take possession of the site, and will be reflected on the Summary Pages and in Attachment B.

3.5.2. You may open the Office for business only with prior written permission of Franchisor.

3.5.3. Franchisor will grant permission to open only if ***(a)*** all amounts due Franchisor under this Agreement have been paid, ***(b)*** the Office has been constructed and equipped according to Franchisor's standards and specifications, ***(c)*** all of your pre-opening and training obligations have been satisfied, ***(d)*** Franchisor has received from you a signed ACH Authorization (Attachment E) by no later than the Control Date; ***(e)*** Franchisor has received from you a fully executed copy of your Office lease containing the mandatory lease terms described in Attachment F; ***(f)*** Franchisor has received from you certificates of insurance as required by Article 11; and ***(g)*** you are otherwise in good standing under this Agreement.

3.6. Relocation. You may relocate the Office only with Franchisor's prior written consent. Franchisor will grant its consent if your lease expires or terminates through no fault of yours, or if the Office premises is destroyed or materially damaged by fire, flood, or other natural catastrophe (an "**Innocent Loss or Casualty**") and you are not in default of this Agreement or any other agreement between you and Franchisor or its Affiliates. Selection of the relocation site and Office construction, renovation, and opening shall be governed by this Article 3; provided that if the relocation occurred as a result of an Innocent Loss or Casualty event, the Office must be open for business at the new location within 180 days of closing at the previous location; however, if the relocation occurred for any other reason, the Office must be open for business at the new location within five days of closing at the previous location. You are solely responsible for all relocation costs and expenses.

4. FEES

4.1. Initial Franchise Fee. Upon execution of this Agreement, you shall pay Franchisor an Initial Franchise Fee in the amount specified in the Summary Pages. You acknowledge and agree that the Initial Franchise Fee is fully earned by Franchisor when paid and is not refundable.

4.2. Royalty Fee. During the term of this Agreement, you shall pay to Franchisor a nonrefundable and continuing Royalty Fee in the amount specified in the Summary Pages for the right to use the System and the Proprietary Marks. If any taxes, fees, or assessments are imposed on Royalty Fee payments by reason of Franchisor acting as a franchisor or licensing the Marks under this Agreement, you shall reimburse Franchisor the amount those taxes, fees, or assessments within 30 days after receipt of an invoice from Franchisor.

4.3 Administrative Services and Fees. If requested by you and agreeable to us, we may make available to you various administrative services at our then-current rates (or mutually agreeable rates).

4.5. Other Payments. In addition to all other payments provided in this Agreement, you shall pay Franchisor and its Affiliates promptly when due:

4.6.1. All amounts advanced by Franchisor or which Franchisor has paid, or for which it has become obligated to pay on your behalf for any reason whatsoever.

4.6.2. The amount of all sales taxes, use taxes, personal property taxes and similar taxes, which shall be imposed upon you and required to be collected or paid by Franchisor ***(a)*** on account of your Gross Collections, or ***(b)*** on account of initial franchise fees, royalty fees or advertising fees collected by Franchisor from you (but excluding ordinary income taxes). Franchisor, in its discretion, may collect the taxes in the same manner as Royalty Fees are collected and promptly pay the tax collections to the appropriate governmental authority; provided, however, that unless Franchisor so elects, it shall be your responsibility to pay all sales, use or other taxes now or hereinafter imposed by any governmental authorities on initial franchise fees, royalty fees and advertising fees.

4.6.3. Amounts due relating to your participation in marketing programs pursuant to Section 9 of this Agreement.

4.6.4. All amounts due for any reason, including on account of purchases of products, supplies or services relating to the Franchised Business.

4.6. No Set-Off Rights. You may not set off, deduct or otherwise withhold any fees or other amounts due Franchisor under this Agreement on the grounds of alleged nonperformance by Franchisor of any of its obligations or for any other reason. Withholding royalties or any other amounts due Franchisor is a material breach of this Agreement.

4.7. Payment Terms. All payments required by this Agreement shall be paid within the time Franchisor specifies, provided that such day is a Business Day (the "**Due Date**"). If the Due Date is not a Business Day, then payment shall be due on the next Business Day.

4.8. Payment Procedures. Franchisor shall determine the amount of the Royalty Fee and other amounts due under this Agreement by accessing and retrieving Gross Collections data from your computer system, as permitted by Article 10, and may provide notice to you (each a "**Fee Notice**") stating the applicable Royalty Fee and other fee amount, if any, no later than the Due Date. If Franchisor provides a Fee Notice and you wish to dispute the amount, you shall deliver to Franchisor written notice of the dispute, along with all evidence that supports your claim within two Business Days following delivery of the Fee Notice. On each Due Date, Franchisor will transfer from your commercial bank operating account ("**Account**") the undisputed amount of fees reflected in the Fee Notice (or, if no Fee Notice is provided, the amount of fees as determined by Franchisor by accessing your computer system). If you have not reported Gross Collections for any reporting period, or if Franchisor determines that you have underreported Gross Collections, Franchisor also has the right to transfer from the Account, at its option, an estimated payment, plus interest, which payment may be based on the Office's historical performance and/or the amount of your purchases of required products. Any overpayment will be credited against future payments due under this Agreement.

4.9. Electronic Fund Transfer. You shall participate in Franchisor's then-current electronic funds transfer program authorizing Franchisor to use a pre-authorized bank draft system. You shall: ***(a)*** comply with Franchisor's procedures, as specified in the Manual or otherwise in writing; ***(b)*** perform those acts and sign and deliver those documents as may be necessary to accomplish payment by electronic funds transfer as described in this Section; ***(c)*** give Franchisor an authorization in the form designated by Franchisor to initiate debit entries and/or credit correction entries to the Account for payments of the Royalty Fee, Local Advertising amount and other amounts payable under this Agreement, including any interest charges; and ***(d)*** make sufficient funds available in the Account for withdrawal by electronic funds transfer no later than the Due Date for each payment thereof. Notwithstanding the provisions of this Article 4, Franchisor reserves the right to modify, at its option, the method by which you pay the Royalty Fee, Local Advertising amount and other amounts owed under this Agreement upon receipt of written notice by Franchisor. Your failure to have sufficient funds in the Account is a material breach of this Agreement.

4.10. Interest; Nonsufficient Funds Charge. Any payments not received by Franchisor by the Due Date

will accrue interest at the rate of 18% per annum or the highest lawful interest rate permitted by the jurisdiction in which the Office operates, whichever is less. If any check, draft, electronic or otherwise, is returned for insufficient funds, you shall pay to Franchisor a nonsufficient funds charge in the amount of $50 (which may be increased each year by an amount not to exceed 10% of the then-current amount) and reimburse Franchisor for all expenses that it incurs on account of such nonsufficient funds.

4.11. Partial Payments; Application of Payments. If you pay less than the amount due, your payment will be considered a partial payment on account. Franchisor may accept such payment as a partial payment, irrespective of any endorsement or other statement that the payment constitutes full payment. Franchisor's acceptance of such partial payment will not be considered a waiver of any of its right to demand or receive full payment, and you hereby waive any estoppel defense in this regard. Franchisor may apply your payments to any indebtedness, in its sole and reasonable discretion, regardless of any designation that accompanies the payment.

4.12. Payment of Taxes. To the extent that any sales, excise, or similar taxes are imposed on payments for goods or services provided by Franchisor, you shall pay such taxes.

4.13. Collection Costs and Expenses. You shall pay Franchisor on demand any and all costs and expenses incurred by Franchisor in enforcing the terms of this Agreement including, without limitation, collecting any monies that you owe to Franchisor. These costs and expenses include, without limitation, costs and commissions due a collection agency, reasonable attorneys' fees, costs incurred in creating or replicating reports demonstrating Gross Collections of the Office, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.

5. TRAINING AND ASSISTANCE

5.1. Initial Training. Before you may open the Office for business the Managing Owner and your Office Manager must attend and complete, to Franchisor's satisfaction, Franchisor's initial training program. The initial training program will take place at a location and time that Franchisor designates, generally six weeks prior to the Office opening, provided, however, that Franchisor reserves the right to delay the initial training program until such time as you have completed all pre-initial training items set forth in the Manuals. The Managing Owner and Officer Manger may attend Franchisor's initial training program without charge. At your request, Franchisor may permit additional individuals to attend the same training program, subject to space availability and payment of Franchisor's then-current tuition. You are responsible for all costs and expenses of complying with Franchisor's training requirements including, without limitation, tuition and registration costs, and salary, travel, lodging, and dining costs for all of your owners and managers who participate in the training.

5.2. Office Pre-opening and Opening Assistance. Franchisor may, at its sole and absolute discretion, make available one or two individuals to provide you and your staff up to two days of on-site Office pre-opening and opening assistance. There is no additional fee for such assistance, but you must reimburse Franchisor for all out of pocket costs it incurs in connection with providing such assistance, including travel, lodging and dining costs for the individual providing such assistance. At your request, Franchisor may, in its discretion, provide additional on-site opening assistance, subject to availability of personnel. In such event, Franchisor has the right to charge (and you agree to pay) Franchisor's current daily rate for providing such assistance, and you must reimburse Franchisor for all out of pocket costs it incurs in connection with providing such additional assistance, including travel, lodging, and dining costs for the individual(s) providing such assistance. If Franchisor determines, in its sole discretion, that you have not met the minimum requirements for the establishment of the Office by the timelines set forth in the Manuals, Franchisor may require that you accept such additional on-site assistance as Franchisor deems appropriate. You agree to pay Franchisor's per diem assistance fee for such additional assistance as well as Franchisor's related travel, lodging, and dining costs.

5.3. Mandatory or Optional Courses, Seminars, and Other Training Programs. We do not charge a fee for mandatory or optional courses, seminars or other training programs; however you must pay all attendance related travel, lodging, dining costs, and wages for you, your owner(s), and your Office Manager. If we make such programs mandatory, then you, your owner(s), and/or your Office Manager must attend (as we will designate).

5.4. Additional Training and Assistance Requested By You. You may request additional training and assistance. Such training and assistance are subject to our availability. You must pay our then-current training fee before we send our personnel to your Office. You must also advance or reimburse our travel, lodging and dining costs. We are not required to provide more than seven days of additional on-site training assistance within any rolling 12-month period.

5.5. Mandatory On-Site Training for Non-Compliance. We may, at our option, send our personnel to your Office to provide mandatory training if you have failed to comply with our standards and specifications or have failed one or more quality inspections. You must pay our then-current training fee before we send our personnel to your Office. You must also advance or reimburse our travel, lodging and dining costs.

5.6. Pre-Opening Consultation. Franchisor shall provide such pre-opening consultation and advice as it deems appropriate, which may include advice with regard to the development and operation of the Office, building layout, furnishings, fixtures, and equipment, plans and specifications, selection, and training, purchasing and inventory control, and such other matters as Franchisor deems appropriate.

5.7. Ongoing Consultation. Franchisor shall provide such ongoing consultation and advice as it deems appropriate, which may include information about new service and product development, instruction concerning the operation and management of FLOSS® Office, advertising and marketing advice, and financial and accounting advice. Such consultation and advice may be provided, in Franchisor's discretion, through Office visits by Franchisor personnel, via meetings, seminars or conferences, and/or through dissemination of electronic or printed materials.

5.8. Performance by Delegate. You acknowledge and agree that any rights or duties of Franchisor may be exercised and/or performed by any of Franchisor's designees, agents, or employees.

5.9 Practice of Dentistry. Notwithstanding any contrary provision in this Agreement, we do not provide training or assistance regarding, or directly or indirectly control or direct, your practice of dentistry or the provision or clinical or dental services as these are ultimately the responsibility of your Office's licensed practitioner(s).

6. OPERATION OF THE FRANCHISED BUSINESS

6.1. General Operating Requirements. You understand and acknowledge that every detail of the System is essential to maintain and enhance the goodwill associated with the Proprietary Marks and the integrity of the brand. Accordingly, you agree as follows:

(a) To operate the Franchised Business according to the highest applicable health and safety standards and ratings, to timely obtain or cause employees to obtain any and all permits, certificates, or licenses necessary for the lawful operation of the Franchised Business, to operate the Franchised Business according to Franchisor's operating methods, standards, and specifications, and to maintain, at all times, a high moral and ethical standard in the operation of the Franchised Business.

(b) To notify Franchisor by telephone and confirm in writing within 72 hours of any investigation or violation, actual or alleged, concerning any health or safety regulations, and notify Franchisor in writing within five days of the commencement of any investigation, action, suit or proceeding, and the issuance of any order, writ, injunction, award, or decree of any court, agency or other government instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

(c) Upon the occurrence of a Crisis Management Event, to immediately inform Franchisor's President (or as otherwise instructed in the Manuals) by telephone, and to cooperate fully with Franchisor with respect to Franchisor's response to the Crisis Management Event.

6.2. Managing Owner; Office Manager.

6.2.1. The Office must be supervised by an Office Manager. The Managing Owner may also be the Office Manager. The Managing Owner shall have oversight of the Office Manager and the Office Manager shall have full control (to the extent granted by Franchisee) over day-to-day Office management and operations. The Managing Owner and the Office Manager must attend and successfully complete Franchisor's initial training program and all additional training that Franchisor requires, to Franchisor's satisfaction. The Office Manager shall devote his or her full-time efforts to Office operations, and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitment. Franchisor shall have approved the Managing Owner as meeting its then-current qualifications for such position.

6.2.2. If the Office Manager ceases to serve in, or no longer qualifies for, such position, you shall designate another qualified person to serve as your Office Manager within 30 days after the date the prior Office Manager ceases to serve or no longer qualifies to serve. Any proposed replacement Office Manager must successfully complete the initial training program and such other training required by Franchisor, and be approved by Franchisor, before assuming his or her position as Office Manager and, in no event, later than 90 days after the previous Office Manager ceased to serve in such position.

6.3. Employee Policy; Uniforms and Employee Appearance.

6.3.1. You shall maintain a competent, conscientious, and trained staff, and shall take such steps as are necessary to ensure that your employees and/or independent contractor's preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet such minimum standards as Franchisor may establish from time to time in the Manuals or otherwise in writing. You shall cause all employees and/or independent contractors, while working at the Office, to: ***(a)*** wear uniforms of such color, design, and other specifications as Franchisor may designate from time to time, and ***(b)*** present a neat and clean appearance. In no case shall any of your employees and/or independent contractors wear his or her FLOSS® uniform while working for you at any location other than the Franchised Business.

6.3.2 Notwithstanding any contrary provision of this Agreement or its exhibits, the following provisions shall apply with respect to your employees:

(a) We will not hire or fire your employees, supervise or control your employees' work schedules or conditions of employment, determine your employees' rate or method of payment, or maintain your employees' employment records. We will not schedule or discipline your employees. You acknowledge and agree that these are your rights and obligations alone as employer of your employees.

(b) You agree to comply with all state, federal, and local labor laws and functions of the franchise business. You acknowledge that you have had ample opportunity to investigate these and other laws applicable to your business with your own independent legal counsel before signing this Agreement.

(c) You will maintain employee records to show clearly that you and your employees are not our employees.

(d) You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits. You must display your entire business entity's name, not just the licensed brand, on your payroll checks.

6.4. Authorized Services and Product Offerings.

6.4.1. You must offer and sell all non-dental services and products that Franchisor requires, and only those non-dental services and products that Franchisor has approved. Franchisor may add, eliminate and change authorized services and/or products, in its sole discretion, and you must comply with all directives (which may require purchasing and installing additional equipment). You shall package all products in accordance with Franchisor's standards and procedures as communicated to you from time to time via the Manual or other written directives. Such standards and procedures may include, without limitation, use of packing and marketing paraphernalia bearing the Proprietary Marks, and other standards for displaying for sale products and other designated merchandise. You shall participate in all market research programs that Franchisor requires, which includes test-marketing new services and/or products, purchasing a reasonable quantity of new products for test-marketing, promoting the sale of the new non-dental services and/or products. You shall provide Franchisor with timely reports and test results for all such programs.

6.5. Purchase Requirements. You shall purchase and install, at your expense, all fixtures, furnishings, equipment, décor, signs, and other items as Franchisor may reasonably direct; and shall refrain from installing or permitting to be installed on or about the Office premises any fixtures, furnishings, equipment, décor, signs, vending or game machines or other items not approved for use by Franchisor. In addition, you shall purchase and use only products, packaging materials, and supplies as conform to Franchisor's standards and specifications; and shall purchase, use, offer and/or promote FLOSS® products which are produced or manufactured in accordance with Franchisor's proprietary specifications and/or formulas.

6.6. Purchases from Designated Sources. Franchisor and its Affiliates may act as suppliers of goods, services, products, and/or supplies to be purchased by you ("**Goods and Services**"), and may designate themselves as the sole suppliers of any such Goods and Services. You shall purchase your requirements of Goods and Services from Franchisor or its designated sources, which purchase price shall also include all shipping costs. Such Goods and Services shall be made available for purchase at then-current published prices according to the supplier's then-current purchase terms and conditions. You shall purchase all other products, equipment, supplies and materials used or sold by the Franchised Business, solely from suppliers (including Franchisor, or its Affiliates, and manufacturers, wholesalers, and distributors) who demonstrate, to Franchisor's continuing reasonable satisfaction, the ability to meet Franchisor's reasonable standards and specifications for such items, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by Franchisor in the Manuals or otherwise in writing and not thereafter disapproved. You acknowledge and agree that Franchisor and its Affiliates may negotiate purchase arrangements with suppliers for your benefit and may derive revenue or obtain rebates, bulk pricing discounts or allowances for their own account from approved or designated suppliers if rebates or other considerations become available because of your purchases of products or services. If you desire to purchase products from other than approved suppliers, you shall submit to Franchisor a written request to approve the proposed supplier, together with such evidence of conformity with Franchisor's specifications as Franchisor may reasonably require, or shall request the supplier itself to do so. Franchisor shall have the right to inspect and evaluate the supplier's facilities and products to be supplied, and you shall pay all of Franchisor's reasonable expenses incurred in so doing. Franchisor may from time to time re-inspect and re-evaluate the facilities and products of any approved supplier and revoke its general approval of particular products or suppliers when Franchisor determines, in its sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, you shall cease to sell any disapproved products and cease to purchase from any disapproved supplier.

6.7. Franchised Location.

6.7.1. You shall maintain the Office (including adjacent public areas) in a clean, orderly

condition and in excellent repair and in accordance with Franchisor's standards. You shall, at your expense, make such additions, alterations, repairs, and replacements under this Agreement as may be required for that purpose, including, without limitation, such periodic repainting, repairing, and replacing of obsolete or deteriorated signs, furnishings, fixtures, equipment, and decor as Franchisor may reasonably direct. Upon Franchisor's request, you shall install and maintain at the Franchised Business interactive multi-media equipment, devices, and facilities Franchisor requires and subject to Franchisor's standards and specifications, including, without limitation, approved music systems, wi-fi and other wireless internet and communications systems, and interactive displays, including plasma or LCD screens, and ceiling-mounted television screens.

6.7.2. You shall not cause or permit vending, gaming machines, pay telephones, automatic teller machines, Internet kiosks or any other mechanical or electrical device to be installed or maintained at the Franchised Location.

6.7.3. You shall purchase and install, at your expense, all fixtures, furnishings, equipment, decor, signs, and other items as Franchisor may reasonably direct from time to time in the Manual or otherwise in writing in accordance with Franchisor's standards and specifications; and shall refrain from installing or permitting to be installed on or about the Franchised Location, any fixtures, furnishings, equipment, decor, signs, vending or game machines or other items not previously approved in writing as meeting Franchisor's standards and specifications.

6.7.4. At Franchisor's request, you shall make such alterations as may be necessary to reflect new product offerings and marketing incentives, including updating or replacement new interior signage, graphics, and/or point of sale materials.

6.7.5. At Franchisor's request, but not more often than once every 60 months (and in addition to any work which you may undertake pursuant to other Sections of this Agreement), you shall refurbish the Franchised Location, at your own expense, to conform to the building design, trade dress, color schemes, and presentation of the Proprietary Marks in a manner consistent with the then-current public image for new or remodeled FLOSS® Offices in the System, including, without limitation, replacement or renovation of equipment, remodeling, redecoration, and modifications to existing improvements and reasonable structural changes that Franchisor may reasonably require or that may be required by law.

6.8. Days and Hours of Operation. You shall cause the Office to be open and in normal operation for such minimum hours and days as Franchisor may specify in the Manual or in other written directives.

6.9. Quality Assurance Inspections; Testing. Franchisor shall have the right to enter upon the Office premises during regular business hours to inspect the Office for quality assurance purposes. You shall allow Franchisor from to time to obtain samples of ingredients, products and supplies, without charge, to test for quality assurance purposes.

6.10. Modification to the System. At your own expense, you shall make such alterations, additions, or modifications to the Franchised Location as Franchisor may reasonably require to implement changes to the System, including, without limitation, changes to products, services or market positioning. You shall make all such changes within 90 days from receipt of notice. You shall not implement any modification to the System without Franchisor's express prior written consent.

6.11. Pricing. To the fullest extent permitted by applicable law, Franchisor reserves the right to establish maximum, minimum or other pricing requirements with respect to the prices you may charge for products or services.

6.12. Intranet/Extranet System. Franchisor may, at its option, establish and maintain an intranet or extranet system through which members of FLOSS® franchise network may communicate and through which Franchisor may disseminate updates to the Manual and other Confidential Information. Franchisor will have no obligation to establish or to maintain the intranet indefinitely, and may dismantle it at any

time without liability to you. Franchisor may establish policies and procedures for the intranet's use. Franchisor expects to adopt and adhere to a reasonable privacy policy. However, you acknowledge that, as administrator of the intranet, Franchisor can access and view any communication that anyone posts on the intranet. You further acknowledge that the intranet facility and all communications that are posted to it will become Franchisor's property, free of any claims of privacy or privilege that you or any other individual may assert. If you fail to pay when due any amount payable to Franchisor under this Agreement, or if you fail to comply with any policy or procedure governing the intranet, Franchisor may temporarily suspend your access to any chat room, bulletin board, listserv, or similar feature the intranet includes until such time as you fully cure the breach.

6.13 Website. Franchisor may, but shall not be obligated to, establish and maintain from time to time Franchisor's Website to provide information about the System and the goods and services that FLOSS® Offices provide, even though Franchisor's Website is accessible by persons in your trade area. Franchisor has sole discretion and control over the design and content of Franchisor's Website.

7. PROPRIETARY MARKS AND COPYRIGHTS

7.1. Franchisor's Representations. Franchisor represents to you that it has obtained from its Affiliate a license to use and to sublicense to you the right to use the Proprietary Marks in accordance with the terms and conditions of this Agreement.

7.2. Acknowledgments. You expressly acknowledge that Franchisor or its Affiliate owns all right, title, and interest in and to the Proprietary Marks and the goodwill associated with the Proprietary Marks, and that you have no ownership interest in the Proprietary Marks. You agree not to use any other Proprietary Marks or any marks, names or indicia of origin that are or may be confusingly similar to the Proprietary Marks in your own corporate or business name except as authorized in this Agreement. You further acknowledge and agree that any and all goodwill associated with the Office and identified by the Proprietary Marks is Franchisor's property and shall inure directly and exclusively to the benefit of Franchisor and that, upon the expiration or termination of this Agreement for any reason, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the Proprietary Marks. You understand and agree that any use of the Proprietary Marks other than as expressly authorized by this Agreement, without Franchisor's prior written consent, may constitute an infringement of Franchisor's rights herein and that the right to use the Proprietary Marks granted herein does not extend beyond the termination or expiration of this Agreement.

7.3. Use of the Proprietary Marks. You shall use only the Proprietary Marks designated by Franchisor, shall use them only in the manner that Franchisor authorizes and permits, and shall use them with the symbols "®", "™" , or "℠", as appropriate. You shall use the Proprietary Marks only in connection with the operation and promotion of the Franchised Business, and only in the manner prescribed by Franchisor. You may not contest ownership or validity of the Proprietary Marks or any registration thereof, or engage in any conduct that adversely affects the ownership or registration of the Proprietary Marks, or Franchisor's right to use or to sublicense the use of the Proprietary Marks. You shall execute all documents that Franchisor requests in order to protect the Proprietary Marks or to maintain their validity and enforceability.

7.4. Restriction Against Use in Your Corporate Name. You may not use the Proprietary Marks or any part thereof in your corporate name, and may not use them to incur any obligation or indebtedness on Franchisor's behalf.

7.5. Restriction Against Use of the Proprietary Marks and Copyrighted Works on the Internet.

7.5.1. You may not use the Proprietary Marks or any part or derivative thereof, or any of Franchisor's Copyrighted Works, or promote your Office, on the Internet, except as expressly permitted in writing. Without limiting the generality of the foregoing, you may not use the Proprietary Marks or any part or derivative of the Proprietary Marks as part of any URL or domain name, and may not register as

part of any user name on any website (including commercial, gaming, video sharing, user review, and social networking websites), or as part of any unauthorized email address. You also may not display on any website (including commercial, gaming, video sharing, user review, and social networking websites) Franchisor's Copyrighted Works, which include the design portion of its Proprietary Marks, or any collateral merchandise identified by the Proprietary Marks.

7.5.2. Franchisor or its designee will create a single website page, or "microsite," for your Office (the "**Office Microsite**") as well as create and customize certain social media accounts and related pages for use in connection with the Office ("**Office Social Media Portals**"). For the avoidance of doubt, and without limiting the generality of the restrictions in Section 7.5.1 above, you shall not create an independent website or use our Proprietary Marks or promote your Office independently on social media.

The creation of the Office Microsite and Office Social Media Portals will be included in the Local Advertising amounts you pay to us per Section 9.2, below. However, if we elect to require you to spend the Local Advertising amounts in your local market (as opposed to payment such amounts to us), then we will charge you a reasonable fee for the creation of Office Microsite and Office Social Media Portals at the time you execute this Agreement. The Office Microsite and all Office Social Media Portals will be constructed and maintained in accordance with FLOSS® System standards and specifications and you agree to abide by any and all social media policies Franchisor implements in connection with your Internet presence. All services required for the creation and maintenance of the Office Microsite and Office Social Media Pages, including but not limited to, all graphic design, website design, coding, hosting, services, security, and editing and access capabilities shall be provided by Franchisor or approved suppliers. You further agree that Franchisor may, at all times, for itself or through approved suppliers, retain full control of the Office Microsite and Office Social Media Portals and may monitor and assign to you such editing and access rights as Franchisor deems appropriate in its discretion. Franchisor shall also retain the right to edit the Office Microsite and Office Social Media Portals as it deems appropriate for the purpose of ensuring consistent and uniform use of the Marks, and compliance with FLOSS® System standards and specifications.

7.6. Notice. You shall identify yourself as an independent franchise owner of the Franchised Business in conjunction with any us of the Proprietary Marks or operation of the Franchised Business, including, but not limited to, such use on invoices, order forms, receipts, business stationery, business cards, and contracts, as well as at such conspicuous locations at the Office as Franchisor may designate in writing. The form and content of such notice shall comply with the standards set forth in the Manuals.

7.7. Infringement. You shall promptly notify Franchisor of any suspected unauthorized use of, or any challenge to the validity of the Proprietary Marks or Copyrighted Works, or any challenge to Franchisor's or its Affiliate's ownership of, Franchisor's license to use and to license others to use, or your right to use, the Proprietary Marks or Copyrighted Works licensed under this Agreement. You acknowledge that Franchisor or its Affiliate has the right to direct and control any administrative proceeding or litigation, or other adjudicative proceeding involving the Proprietary Marks or Copyrighted Works, including any settlement thereof. Franchisor or its Affiliate has the right, but not the obligation, to take action against third parties for infringement of the Proprietary Marks or Copyrighted Works. You will have no independent right to make any demand against any alleged infringer or to prosecute any claim of any kind or nature whatsoever against an alleged infringer. We will not be required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks or Copyrighted Works or if the proceeding is resolved unfavorably to you. If we undertake the defense or prosecution of any litigation or administrative action relating to your use of the Proprietary Marks or Copyrighted Works, you shall execute any and all documents and do such acts as may, in the opinion of Franchisor, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action.

7.8. Changes to the Proprietary Marks. Franchisor reserves the right, in its sole discretion, to designate

one or more new, modified or replacement Proprietary Marks for your use and to require your use of any such new, modified or replacement Proprietary Marks in addition to or in lieu of any previously designated Proprietary Marks. You must comply with any such directive within 60 days following your receipt of Franchisor's written notice to you, and you are responsible for all related costs and expenses.

8. SYSTEM, MANUALS, AND INFORMATION

8.1. Manuals. Franchisor will provide you on loan one copy of the Manuals. You shall operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manuals. The Manuals shall at all times remain the sole property of Franchisor and shall be kept in a secure place at the Franchised Location. You shall ensure that your copy of the Manuals is kept current at all times, and in the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by Franchisor shall be controlling.

8.2. System Modification. You acknowledge that the System, Franchisor's Confidential Operations Manuals and the Manuals, and the products and services offered by the Franchised Business may be modified, (such as, but not limited to, the addition, deletion, and modification of operating procedures, products and services) from time to time by Franchisor. You agree to comply, at your expense, with all such modifications, including, without limitation, all requirements to implement the modifications, such as replacement or renovation of equipment, remodeling, redecoration and modifications to existing improvements, including structural changes. Franchisor shall notify you of any such System changes and you shall implement any System changes upon receipt of notice thereof from Franchisor, and shall complete their implementation within such time as Franchisor may reasonably specify. For purposes of this Agreement, System changes shall include, without limitation, changes in any of the categories referred to in this Section 8.2. No such modification will alter your fundamental status and rights as a franchisee under this Agreement.

8.3. Confidentiality. You shall maintain the confidentiality of all Confidential Information. You shall use Confidential Information only in connection with the operation of the Franchised Business, and shall divulge Confidential Information only to your employees and only on a need to know basis. This obligation shall survive termination or expiration (without renewal) of this Agreement. You must implement any reasonable procedures we may adopt to protect our Confidential Information, including requiring your employees and other personnel to sign confidentiality and non-disclosure agreements (and non-competition agreements if permitted by applicable law). We may provide sample forms of confidentiality, non-disclosure and non-competition agreements for your use and adaptation, but it is solely your responsibility to ensure that such agreements comply with legal requirements in your jurisdiction. We must be described as a third-party beneficiary on such agreements so that we may enforce such agreements (unless we specify otherwise or prohibited by law).

8.4. Your Compliance with Laws. It is solely your responsibility to comply with all laws applicable to your franchise. If any recommendations or requirements in our Manuals conflict with applicable laws, you shall inform us right away and comply with the law. To the extent we provide you forms and templates for you to use in the operation of your franchise (in the Manuals or otherwise), such forms and templates are provided as samples only (unless expressly stated otherwise in this Agreement or the Manuals). It is solely your responsibility to ensure that all forms, templates, handbooks, documents and agreements you use in the operation of your franchise are appropriate for their intended purposes and comply with all applicable laws. It is your responsibility to consult with your own independent lawyer and other professional advisors for more information. This is especially important with respect to employment-related matters. We shall not be responsible or liable for your use of forms and templates we provide to you. The indemnities described in Section 11.3 shall include claims, losses, and expenses related to or arising from your use of such forms or templates.

9. ADVERTISING AND MARKETING

9.1. General. All of your promotional and marketing materials shall be presented in a dignified manner and shall conform to Franchisor's standards and specifications related to advertising, marketing, and trademark use. You shall submit to Franchisor samples of proposed promotional and marketing materials, and notify Franchisor of the intended media, before first publication or use. Franchisor shall use good faith efforts to approve or disapprove proposed promotional and marketing materials within 15 days of their receipt. You may not use the promotional or marketing materials until Franchisor expressly approves the materials and the proposed media. Once approved, you may use the materials only in connection with the media for which they were approved. Franchisor may disapprove your promotional or marketing materials, or the media for which they were approved, at any time, and you must discontinue using any disapproved materials or media upon your receipt of written notice of disapproval.

9.2. Local Advertising. At Franchisor's election, franchisor may require you to: ***(a)*** spend the minimum amount noted on the Summary Pages in your local market to promote the Office; or ***(b)*** pay such amounts to Franchisor, in the same manner as Royalty Fees and on such Due Date as Franchisor designates, to be spent on advertising and marketing campaigns in your market area as Franchisor sees fit at its discretion; or (c) do a combination of both (a) and (b). Franchisee hereby agrees (for itself and on behalf of its owners, officers, directors, affiliates, subsidiaries, agents and employees) that Franchisor shall not be liable for, and Franchisee (and the others listed in this sentence) will not file or participate in any legal proceeding based on, Franchisor's decisions regarding such advertising and marketing expenditures. If Franchisor requires you to spend such amounts directly, then you shall provide proof of such expenditure according to the procedures Franchisor requires. Also if Franchisor requires you to spend such amounts directly, then at least 30 day prior to the beginning of each calendar quarter, you must submit to Franchisor your advertising campaign and budget for Franchisor's review and approval.

Except with our prior written permission, you may not offer or sell products or services from any location other than your Office. Except with our prior written permission, you may not place advertisements using our Marks in or originating from any area other than your Protected Area. This includes, but is not limited to, internet, catalog sales, telemarketing or other direct marketing. You may not advertise in any media with primary circulation is outside the Protected Area, except with our prior written permission and the prior written consent of any other franchisee within our system whose protected area is reached by that media.

All online marketing is part of our marketing programs described in the Operations Manual and defined in the Franchise Agreement, and must be coordinated through us and approved by us. You shall not acquire an independent internet domain name or website for your franchise.

9.3. Loyalty Programs, Prize Promotions, and Promotional Literature.

9.3.1. You shall participate in and offer to your customers: ***(a)*** all patient membership plans (except that Franchisor will exclusively handle all group membership plans consistent with terms, conditions, and percentage revenue sharing with Franchisee as may be further described in the Operations Manual); and ***(b)*** all contests, sweepstakes, and other prize promotions; which Franchisor may develop from time to time. Franchisor will communicate to you in writing the details of each such program or promotion, and you shall promptly display all point-of-sale advertising and promotion-related information at such places within the Office as Franchisor may designate. You shall purchase and distribute all coupons and other collateral merchandise designated by Franchisor for use in connection with each such program or promotion.

9.3.2. If Franchisor develops or authorizes the sale of gift certificates and/or stored value cards, loyalty cards and/or customized promotional receipts, you shall acquire and use all computer software and hardware necessary to process their sale and to process purchases made using them and be solely responsible for the service charges related to such processing. All proceeds from the sale of all gift certificates and/or loyalty cards belong exclusively to Franchisor, and you shall remit the proceeds of such

sales to Franchisor according to the procedures that Franchisor prescribes periodically. Franchisor shall reimburse or credit to you (at Franchisor's option) the redeemed value of gift certificates and/or loyalty cards accepted as payment for products and services sold by the Office.

9.3.3. You also shall display at the Office all promotional literature and information as Franchisor may reasonably require from time to time. This may include, among other things, displaying signage or other literature containing information about FLOSS® franchise offering.

9.3.4. You also agree to honor such credit cards, courtesy cards, and other credit devices, programs, and plans as may be issued or approved by us from time to time. Any reasonable and customary service charges or discounts from reimbursements charged on such cards or authorizations will be at your sole expense.

9.4. Participation in Marketing Programs. You shall at all times cooperate with Franchisor and other franchisees of Franchisor and shall actively participate in any and all sales, public relations, advertising, cooperative advertising and purchasing programs or promotional programs (including, without limitation, product give-away promotions) which may be developed and implement by Franchisor. Participation may include, without limitation, purchasing (at your expense) and using ***(a)*** point of sale materials, ***(b)*** counter cards, displays, and give away items promoting loyalty programs, prize promotions, and other marketing campaigns and programs, and ***(c)*** equipment necessary to administer loyalty programs and to prepare and print customized purchase receipts, coupons, and similar items.

9.5. Advertising Cooperatives. Franchisor may, from time to time, form local or regional advertising cooperatives ("**Advertising Cooperative**") to pay for the development, placement and distribution of advertising for the benefit of Offices located in the geographic region served by the Advertising Cooperative. Any Advertising cooperatives established by Franchisor will be operated solely as a conduit for the collection and expenditure of Advertising Cooperative fees for the aforementioned purposes. If Franchisor forms an Advertising Cooperative for the region in which the Office is located, you agree to participate in the Advertising Cooperative pursuant to the terms of this Section 9.7.

9.5.1. Franchisor shall have the exclusive right to create, dissolve and merge each Advertising Cooperative created, in its discretion, and to create and amend the organizational and governing documents related thereto; provided that such documents shall: ***(a)*** operate by majority vote, with each FLOSS® Office (including Offices owned by Franchisor or its Affiliates) entitled to one vote, ***(b)*** entitle Franchisor to cast one vote (in addition to any votes it may be entitled to on account of its operation of Offices in the area served by the Advertising Cooperative, ***(c)*** permit the members of the Advertising Cooperative, by majority vote, to determine the amount of required contributions, and ***(d)*** provide that any funds left in the Cooperative at the time of dissolution shall be returned to the members in proportion to their contributions during the 12-month period immediately preceding termination.

9.5.2. You agree to be bound by all organizational and governing documents created by Franchisor and, at Franchisor's request, shall execute all documents necessary to evidence or affirm your agreement. The Advertising Cooperative shall begin operating on a date determined in advance by Franchisor.

9.5.3. No advertising or promotional plans or materials may be used by the Advertising Cooperative or furnished to its members without Franchisor's prior approval. All advertising plans and materials must conform to the Standards and must be submitted to Franchisor for approval

9.5.4. Fees paid by you as contribution to an Advertising Cooperative established in your geographic area shall be credited towards your local advertising requirement as set forth in the Summary Pages.

10. COMPUTER SYSTEM; ACCOUNTING AND RECORDS; TAXES

10.1. Computer System. You shall acquire and use only the point of sale cash registers and computer

systems and equipment that Franchisor prescribes for use by FLOSS® Offices ("**Computer System**"), and adhere to Franchisor's requirements for use. Requirements may include, among other things, connection to remote servers, off-site electronic repositories, and high-speed Internet connections. As technology or software is developed in the future, Franchisor may, in its sole discretion, require you to add to your Computer System memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software, and replace or upgrade your Computer System and software as Franchisor prescribes. You shall acquire, install and maintain such anti-virus and anti-spyware software as Franchisor requires, and shall adopt and implement such Internet user policies as Franchisor may prescribe for purposes of avoiding, blocking, and eliminating viruses and other conditions that interfere with operation of the Computer System.

10.2. Software. You shall: ***(a)*** use any proprietary software programs, system documentation manuals, and other proprietary materials that Franchisor requires in connection with the operation of the Office; ***(b)*** input and maintain in your computer such data and information as Franchisor prescribes in the Manual, software programs, documentation, or otherwise; and ***(c)*** purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever Franchisor adopts such new or upgraded programs, manuals, and materials system-wide. You shall enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner Franchisor prescribes, and pay all fees imposed thereunder. No later than 30 days before the Office's Opening Date, you must purchase accounting software of your choosing. We reserve the right to designate the specific accounting software you must use.

10.3. Independent Access. Franchisor may independently poll Gross Collections and other information input and compiled by your Computer System from a remote location. There is no limitation on Franchisor's right to access this information, nor on Franchisor's use of the information obtained via such access.

10.4. Preparation and Maintenance of Records. You shall prepare and preserve for at least five years from the date of preparation complete and accurate books, records, and accounts according to generally accepted accounting principles and in the form Franchisor prescribes. In order to obtain System-wide consistent and comparative information, Franchisor may prescribe from time to time, and you agree to abide by and use, such forms, templates, and/or methods for the preparation and submittal of financial and other Office-related records and information.

10.5. Submission of Financial Statements and Tax Returns. No later than March 30 of each calendar year, you shall provide to Franchisor ***(a)*** a copy of the previous year's annual profit and loss statements; ***(b)*** a copy of the previous year's sales tax returns; and ***(c)*** a copy of your federal and state income tax returns for the previous year; provided, however, that if you are an individual franchisee, you may submit only those schedules to your personal tax returns which reflect the revenues and expenses of the Franchised Business.

10.6. Submission of Performance Reports. You shall accurately report to Franchisor the Office's Gross Collections, expenses, and such other financial information, as Franchisor may reasonably require, using the procedures, forms, and methods Franchisor prescribes periodically. Reports shall be due on the date prescribed by Franchisor, and shall be signed by an authorized representative, attesting to their accuracy. Within 30 days following the end of each fiscal quarter, you shall provide to Franchisor a copy of your profit and loss statements prepared according to generally accepted accounting principles and which accurately reflect your financial information for the period requested by Franchisor. You also shall provide to Franchisor such other reports, computer back-up and other information that Franchisor may reasonably request.

10.7. Audit of Franchisee Records. Franchisor or its designated agent shall have the right to audit, examine and copy your books, records, accounts, and business tax returns at any time. If an inspection or audit reveals underpayment of amounts owed to Franchisor, you shall immediately pay the understated

amount with interest as provided in Section 4.11. If an audit or inspection reveals your understatement of Gross Collections by 2% or more during any continuous six month period then, in addition to amounts due on the understatement and interest, you shall promptly reimburse Franchisor all costs and expenses that it incurred in connection with performing the audit or inspection (including travel, lodging and wage expenses, and attorneys' and accountants' fees).

10.8. Use of Financial Information in Franchise Disclosure Document. You acknowledge and agree that it may be in the best interest of the franchise system to share historical revenue and expense information with prospective franchisees. To that end, you hereby authorize Franchisor to publish information concerning the Office's Gross Collections and other information reported to Franchisor in its franchise disclosure document.

10.9. Taxes. You shall promptly pay all taxes due and owing based on your operation of the Office and the Franchised Business including, without limitation, sales taxes, income taxes, and property taxes.

11. INDEPENDENT CONTRACTOR, INSURANCE AND INDEMNIFICATION

11.1 Independent Contractor. The parties acknowledge and agree that you are operating the Franchised Business as an independent contractor. Nothing contained in this Agreement shall create or be construed to create a partnership, joint venture, or agency relationship between the parties. Neither party shall have fiduciary obligations to the other, or be liable for the debts or obligations of the other. Neither party shall have the right to bind the other, transact business in the other party's name or in any manner make any promises or representations on behalf of the other party, nor contract any debts or obligations on behalf of the other party, or their affiliates, unless otherwise agreed in writing by the parties. You shall conspicuously identify yourself and the Franchised Business in all dealings with your customers, contractors, suppliers, public officials, and others, as an independent franchisee of Franchisor, and shall place a conspicuous notice, in the form and at such place as Franchisor prescribes, notifying the public of such independent ownership.

11.2. Insurance Obligations.

11.2.1. You shall maintain in full force and effect at all times during the term of this Agreement, at your expense, an insurance policy or policies protecting you, Franchisor and its Affiliates, and their respective partners, shareholders, directors, members, managers, agents, and employees, against any demand or claim with respect to personal and bodily injury, death, or property damage, or any loss, liability, or expense arising or occurring upon or in connection with the operation of the Franchised Business.

11.2.2. Such policy or policies shall: ***(a)*** be written by insurer(s) licensed and admitted to write coverage in the state in which the Franchised Business is located and with a rating of "A" or better as set forth in the most recent edition of Best's Key Rating Guide; ***(b)*** name Franchisor and its Affiliates, and their partners, officers, subsidiaries, affiliates, shareholders, directors, managers, members, regional directors, agents, and employees as additional insureds on a primary non-contributory basis, ***(c)*** the additional insured coverage must be provided on an Additional Insured Grantor of Franchise Endorsement per form CG2029 (or an endorsement form with comparable wording acceptable to Franchisor); and ***(d)*** comply with Franchisor's written requirements at the time such policies are obtained, and provide at least the types and minimum amounts of coverage specified below or as described within Franchisor's written notice to you.

11.2.3. Such policies shall confirm to all coverage required by federal, state, and local law.

include, at the minimum, the following policies: ***(a)*** "All risk" or "special" property insurance, covering all real and personal property and equipment on a replacement costs basis, including business interruption and extra expense insurance on an actual loss sustained basis, ***(b)*** comprehensive general liability insurance, including products and completed operations in an amount of not less than the

following combined single limits: $1,000,000 per occurrence, $1,000,000 personal and advertising injury, $1,000,000 completed operations/products aggregate, $2,000,000 aggregate per location; ***(c)*** automobile liability coverage, including coverage of owned, non-owned, rented or hired vehicles with coverage in amounts not less than $1,000,000 combined single limit, ***(d)*** employment practices liability coverage with a limit of $500,000 per occurrence and in the aggregate, ***(e)*** professional liability insurance for all health or beauty licensed professionals with minimum coverage of $1,000,000 per occurrence, ***(f)*** workers' compensation insurance for statutory limits, ***(g)*** employer's liability insurance in an amount not less than $1,000,000, and ***(h)*** any insurance as is necessary to comply with all legal requirements concerning insurance coverage for you and your personnel attending Franchisor's training programs. Each year Franchisor may unilaterally modify the insurance minimum coverage requirements which may include an increase to the minimum coverage requirements to reflect changes in inflation or as market conditions warrant.

11.2.4. In connection with any and all insurance that you are required to maintain under Section 11.2., you and your insurers shall agree to waive their rights of subrogation against Franchisor, and you shall provide evidence of such waiver in accordance with this Section 11.2. Franchisor may unilaterally modify these insurance requirements, which modifications may include increasing minimum policy limits, by delivering to you written notice of the change.

11.2.5. Your obligation to obtain and maintain insurance shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 11.3. of this Agreement.

11.2.6. All public liability and property damage policies shall contain a provision that Franchisor and its Affiliates, although named as an additional insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to Franchisor, or its Affiliates, partners, members, managers, shareholders, officers, directors, agents, or employees by reason of your negligence.

11.2.7. At least 10 days prior to the time you are first required to carry insurance, and thereafter at least 30 days prior to the expiration of any policy, you shall deliver to Franchisor certificate of insurance evidencing your compliance with this Article 11. Each certificate of insurance shall expressly provide that no less than 30 days' prior written notice shall be given to Franchisor in the event of material alteration to or cancellation or non-renewal of the coverages evidenced by such certificates.

11.2.8. If you fail to procure or maintain these minimum insurance requirements, Franchisor or its designee shall have the right and authority (but not the obligation) to procure such insurance on your behalf. Such right shall be in addition to and not in lieu of any other rights or remedies available to Franchisor. If this occurs, you shall reimburse Franchisor the cost of the premium upon demand.

11.3. Indemnification. You shall indemnify and hold harmless to the fullest extent by law, Franchisor, its Affiliates and their respective directors, officers, managers, members, employees, shareholders, and agents, (collectively the "**Indemnitees**") from any and all "**losses and expenses**" (as hereinafter defined) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises directly or indirectly from, as a result of, or in connection with your operation of the Franchised Business including, but not limited to, claims arising as a result of the maintenance and operation of vehicles or the Franchised Location (collectively an "**event**"), and regardless of whether same resulted from any strict or vicarious liability imposed by law on the Indemnitees; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided in this Agreement shall extend to any finding of comparative negligence or contributory negligence attributable to you). For the purpose of this Section 11.3., the term "**losses and expenses**" shall be deemed to include compensatory, exemplary, or punitive damages; fines and penalties;

attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to Franchisor's reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. You shall give Franchisor prompt notice of any event of which you are aware, for which indemnification is required, and, at your expense and risk, Franchisor may elect to assume (but under no circumstance is obligated to undertake) the defense and/or settlement thereof, provided that Franchisor will seek your advice and counsel. Any assumption by Franchisor shall not modify your indemnification obligation. Franchisor may, in its sole and absolute discretion, take such actions as it seems necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions with respect thereof as may be, in Franchisor's sole and absolute discretion, necessary for the protection of the indemnities or the System.

This indemnity will apply to claims that we were negligent or failed to train, supervise or discipline you, and to claims that you, your owners, employees, brokers or agents are our employees, agents or part of a common enterprise with us, including claims regarding violations of labor or employment laws or regulations. The obligations under this Section survive the expiration or termination of this Agreement.

12. TRANSFER OF INTEREST

12.1. Transfer by Franchisor. Franchisor may transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations, and shall become solely responsible for all of Franchisor's obligations under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, you expressly affirm and agree that Franchisor and/or its Affiliates may sell their assets, the Proprietary Marks or Copyrighted Works, or the System; may sell securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of Franchisor's name, the Proprietary Marks (or any variation thereof) and System and/or the loss of association with or identification of FLOSS, LLC as the franchisor under this Agreement. You specifically waive any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing. You agree that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as FLOSS® Offices operating under the Proprietary Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be proximate to the Franchised Business).

12.2. Transfer by Individual Franchisee to Business Entity for Convenience. If you are an individual, you may transfer your interest in this Agreement to a Business Entity for convenience of operation within the first 12 months of this Agreement by signing Franchisor's standard form of assignment and assumption agreement if ***(a)*** the Business Entity is formed solely for purposes of operating the Franchised Business, and ***(b)*** you provide to Franchisor a copy of the Business Entity's formation and governing documents and a certificate of good standing from the jurisdiction under which the Business Entity was formed. For transfers described in this Section 12.2 you must pay to Franchisor the amount set forth in the Summary Pages.

12.3. Transfer Among Owners; Transfer of Non-Controlling Interest. If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, and may transfer

up to a Non-Controlling Interest in the Business Entity to one or more third parties, if: ***(a)*** you have provided to Franchisor advance notice of the transfer, ***(b)*** Attachment C has been amended to reflect the new ownership; ***(c)*** each new Owner has signed a Personal Guaranty and Undertaking in the form of Attachment D-1; and ***(d)*** you pay to Franchisor the transfer fee set forth in the Summary Pages.

12.4. Transfer of Agreement; Transfer of the Franchised Business; Transfer of Controlling Interest. All other transfers (including any sale or transfer of your interest in this Agreement, the sale or transfer of all or substantially all of the assets of the Office, and the sale of a Controlling Interest in you if you are a Business Entity) require Franchisor's prior written consent. Franchisor will not unreasonably withhold its consent to a transfer, but may condition its consent on satisfaction of any or all of the following:

12.4.1. You shall have requested consent in writing and delivered to Franchisor a copy of the proposed transfer agreements, including sale terms, at least 30 days prior to the proposed transfer, and Franchisor has determined, in its sole and reasonable discretion, that the terms of the sale will not materially and adversely affect the post transfer viability of the Franchised Business.

12.4.2. The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's then-current educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business; and has sufficient equity capital to operate the Franchised Business (which condition shall be presumed if the transferee's net worth is equal to or exceeds your net worth at the time of transfer, excluding the value of the Franchised Business);

12.4.3. All of your accrued monetary obligations and all other outstanding obligations to Franchisor, its Affiliates, and third-party suppliers shall be up to date, fully paid and satisfied, and you must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates and your suppliers;

12.4.4. You or the transferee shall have agreed to refurbish the Office premises so that it meets Franchisor's image requirements for a new FLOSS® Office;

12.4.5. You and each Owner shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, shareholders, manages, members, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release will not be inconsistent with any state law regulating franchising;

12.4.6. You or the transferee shall have paid the Transfer Fee in the amount set forth in the Summary Pages;

12.4.7. The transferee shall have executed Franchisor's then-current form of franchise agreement, the terms of which may be materially different than the terms of this Agreement and may include, among other things, a different percentage royalty fee and different advertising obligations. The term of such agreement shall be the remaining term of this Agreement at the time of transfer. The transferee shall have the option, however, to purchase a longer term (not to exceed a total of 10 years) by paying an extended term fee ("**Extended Term Fee**") as identified in the Summary Pages.

12.4.8. If the transferee is a Business Entity, then the transferee's Owners each shall sign Franchisor's standard form of Personal Guaranty and Undertaking;

12.4.9. The transferee shall have complied with Franchisor's then-current initial training requirements; and

12.4.10. If Franchisor introduced the buyer to you, you have paid all fees due Franchisor under its then-current franchise resale policy or program.

12.5. Transfers Void. Any purported transfer, by operation of law or otherwise, made without Franchisor's prior written consent will be considered null and void and will be considered a material breach of this Agreement.

12.6. Security Interest. You may grant a security interest in this Agreement or the franchise represented by this Agreement only to the limited extent permitted by Section 9-408 of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in the franchise without Franchisor's consent.

12.7. Public Offerings. If you are a Business Entity and you intend to issue equity interests pursuant to a public or private offering, you shall first obtain Franchisor's written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of your securities, and Franchisor's review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all of the conditions set forth in Section 12.4. and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall pay to Franchisor a retainer in an amount determined by Franchisor, which Franchisor shall use to reimburse itself for the reasonable costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

12.8. Right of First Refusal. If you receive a bona fide offer to purchase your interest in this Agreement or all or substantially all of the assets of the Franchised Business, or if any Owner receives a bona fide offer to purchase his or her equity interests in you, and you or such Owner wishes to accept such offer, you or the Owner must deliver to Franchisor written notification of the offer and, except as otherwise provided herein, Franchisor shall have the right and option, exercisable within 30 days after receipt of such written notification, to purchase the seller's interest on the same terms and conditions offered by the third party. If the bona fide offer provides for the exchange of assets other than cash or cash equivalents, the bona fide offer shall include the fair market value of the assets and you shall submit with the notice an appraisal prepared by a qualified independent third party evidencing the fair market value of such assets as of the date of the offer. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. If Franchisor elects to purchase the seller's interest, closing on such purchase must occur by the later of: ***(a)*** the closing date specified in the third-party offer; or ***(b)*** within 60 days from the date of notice to the seller of Franchisor's election to purchase. Franchisor's failure to exercise the option described in this Section 12.8. shall not constitute a waiver of any of the transfer conditions set forth in this Article 12.

12.9. Transfer Upon Death or Incapacitation. Upon the death or permanent incapacity (mental or physical) of any person with an interest in this Agreement, in you, or in all or substantially all of the assets of the Franchised Business, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as an inter vivos transfer, except that the transfer fee shall be waived. In the case of transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Section 12.9., the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within six months, which disposition shall be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within such period, Franchisor may, at its option, terminate this Agreement, pursuant to Section 13.5.

12.10. Non-Waiver of Claims. Franchisor's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, and it will not be deemed a waiver of Franchisor's right to demand strict compliance with any of the terms of this Agreement, or any other agreement to which Franchisor's and the transferee are parties, by the transferee.

13. DEFAULT AND TERMINATION

13.1. Termination In the Event of Bankruptcy or Insolvency. You shall be deemed to be in default under this Agreement, and all rights granted to you in this Agreement shall automatically terminate without notice, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed and against you and you do not oppose it; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver for you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law is instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against the Franchised Location premises or assets or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable.

13.2. Termination with Notice and Without Opportunity to Cure. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of notice without opportunity to cure if: ***(a)*** your Managing Owner or Office Manager fails to successfully complete training; ***(b)*** you fail to acquire a site by the Control Date ***(c)*** you fail to open the Office for business by the Opening Date; ***(d)*** you abandon the Franchised Business (which will be presumed if you cease operations for three consecutive business days or more); ***(e)*** you lose any license required to operate the Franchised Business or you lose your right to occupy the Office premises; ***(f)*** you or any Owner or Office Manager is convicted of, or pleads no contest to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System; ***(g)*** there is any transfer or attempted transfer in violation of Article 12 of this Agreement; ***(h)*** you or any Owner fails to comply with the confidentiality or non-compete covenants in Section 15.1. of this Agreement; or ***(i)*** you or any Owner has made any material misrepresentations in connection with your franchise application; ***(j)*** you fail to comply with notification requirements set forth in Sections 6.1.(b) or (c) concerning investigations and Crisis Management Events; ***(k)*** you understate any payment to Franchisor by 2% or more, or understate any such payment in any amount, twice in any two-year period; ***(l)*** if an imminent threat or danger to public health or safety results from the operation of the Franchised Business; ***(m)*** you knowingly maintain false books or records or submit any false reports or statements to Franchisor; ***(n)*** you offer unauthorized products or services from the Office premises or in conjunction with the Proprietary Marks or Copyrighted Works; ***(o)*** purchase items for which Franchisor has identified approved or designated supplier or distributor from an unapproved source; ***(p)*** you fail to pass two or more quality assurance/health inspections within any rolling 12-month period; ***(q)*** you fail to participate in any advertising or marketing program pursuant to Sections 9.5. or 9.6. on two or more occasions within any rolling 12-month period, or ***(r)*** Franchisor delivers to you two or more written notices of default pursuant to this Article 13 within any rolling 12-month period, whether or not the defaults described in such notices ultimately are cured.

13.3. Termination with 10-Day Cure Period. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure the following defaults within 10 days after delivery of written notice: ***(a)*** failure to obtain or maintain required insurance coverage; ***(b)*** failure to pay any amounts due to Franchisor; ***(c)*** you fail to pay any amounts due to your trade creditors (unless such amount is subject to a bona fide dispute); ***(d)*** you fail to

pay any amounts for which Franchisor has advanced funds for or on your behalf, or upon which Franchisor is acting as guarantor of your obligations; ***(e)*** failure to comply with your minimum monthly local advertising expenditure requirements; ***(f)*** your violation of any provision of this Agreement concerning the use and protection of the Proprietary Marks or Copyrighted Works; ***(g)*** your violation of any provision of this Agreement concerning the packaging, service, appearance or quality of FLOSS® products; or ***(h)*** failure to cure deficiencies determined through a quality assurance inspection.

13.4. Termination with 30-Day Cure Period. Except as otherwise provided in this Article 13, Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure any curable default within 30 days after delivery of written notice.

13.5. Termination Related to Death or Permanent Incapacity. Franchisor has the right to terminate this Agreement if an approved transfer as required by Section 12.9. is not effected within the designated time frame following a death or permanent incapacity (mental or physical).

13.6. Cross-Default. Any default under any agreement between you and Franchisor or its Affiliates, and failure to cure within any applicable cure period, shall be considered a default under this Agreement and shall provide an independent basis for termination of this Agreement.

13.7. Additional Remedies. In addition to, or in lieu of, termination of this Agreement, in its sole discretion, Franchisor may require the Office be closed during any cure period relating to a default based on public health and safety concerns.

14. POST TERMINATION OBLIGATIONS

14.1. Cease Use of Proprietary Marks and Copyrighted Works; Cancellation of Fictitious Name; Assignment of E-mail Addresses, URLs, Domain Names, Internet Listings. Upon termination or expiration of this Agreement, you shall immediately cease all use of the Proprietary Marks, Copyrighted Works and Confidential Information. You shall cancel any assumed name registration containing the Proprietary Marks. You shall, at Franchisor's option and request, assign to Franchisor all rights to all e-mail addresses, URLs, domain names, Internet listings, and Internet accounts related to the Franchised Business.

14.2. Assignment of Lease; De-Identification. At Franchisor's request, you shall assign to Franchisor or its designee your interest in the lease. If Franchisor does not request assignment of the lease before or as of the date of expiration or termination of this Agreement, then within 10 days after termination or expiration of this Agreement, you shall modify the Office premises (including, without limitation, the changing of the color scheme and other distinctive design features, and the changing of and assigning to Franchisor of, the telephone numbers) as may be necessary to distinguish the appearance of the Franchised Location from that of other FLOSS® Offices, and shall make such specific additional changes to the Franchised Location as Franchisor may reasonably request for that purpose.

14.3. Return of Manuals and Other Confidential Information. You shall immediately deliver to Franchisor the Manuals and all other manuals, records, correspondence, files, and any instructions containing Confidential Information relating to the operation of the Franchised Business which are in your possession; and all copies thereof (all of which are acknowledged to be the property of Franchisor).

14.4. Franchisor's Right to Purchase, Fixtures, and Tangible Assets. Franchisor shall have the option to purchase any or all of the Office's leasehold improvements, furniture, fixtures, equipment, inventory, supplies, and interior and exterior signs at their then-current fair market value, to be determined by a qualified independent third party of Franchisor's choosing, and may set off against the purchase price any amounts that you owe to Franchisor. Franchisor shall exercise its option by written notice to you delivered on or before the date of expiration or termination of this Agreement.

15. COVENANTS

15.1. Non-Competition During Term of Agreement. You and each Owner acknowledge that you and each Owner will receive valuable specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques and trade secrets of Franchisor and the System. You and each Owner covenant and agree that during the term of this Agreement, except as otherwise approved in writing by Franchisor, you and, if applicable, such Owner, shall not, either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, or legal entity:

15.1.1. Divert or attempt to divert any present or prospective customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System.

15.1.2. Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any business (other than a FLOSS franchise) that: (a) offers dental-related products or services as primary items; (b) offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System; or (c) offers or has granted franchises or licenses or establishes or has established joint ventures for the development and/or operation of businesses of the type described in the foregoing clauses (a) or (b). This covenant applies at any location within the United States, its territories or commonwealths, and worldwide (to the full extent permitted by applicable law).

15.2. Non-Competition After Expiration or Termination of Agreement. Commencing upon the later of: ***(i)*** a transfer permitted under Article 12 of this Agreement, expiration of this Agreement, or termination of this Agreement (regardless of the cause for termination) or ***(ii)*** a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of this Section 15.2., and continuing for an uninterrupted period of two years thereafter, you shall not either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, persons, or legal entity, own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with any business (other than a FLOSS franchise) that: ***(a)*** offers dental-related products or services as primary items; ***(b)*** offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System; or ***(c)*** offers or has granted franchises or licenses or establishes or has established joint ventures for the development and/or operation of businesses of the type described in the foregoing clauses (a) or (b)., and ***(y)*** is, or is intended to be, located at the location of the former Franchised Business; or ***(z)*** within a 30-mile radius of the Office or any other Office (franchised, licensed, or company-owned) operating under the System and Proprietary Marks in existence or under development at the time of such expiration, termination or transfer. If any Owner ceases to be an Owner of the Franchisee for any reason during the franchise term, the foregoing covenant shall apply to the departing Owner for a two-year period beginning on the date such person ceases to meet the definition of an Owner. The obligations described in this Section 15.2. shall be tolled during any period of noncompliance.

15.3. Additional Provisions. The parties acknowledge and agree that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 15.1. and 15.2., or any portion thereof, without your consent or the consent of any Owner, effective immediately upon delivery of written notice to the affected party; and you and each Owner agree that such person shall comply forthwith with any covenant as so modified. You and each Owner expressly agree that the existence of any claims you may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants in this Article 15. You agree to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Article 15.

15.4. Covenants from Individuals. Your owners and each individual who attends Franchisor's training program shall be required to sign a confidentiality and non-competition agreement substantially in the form attached as Attachment D-2 to this Agreement. You shall be responsible for ensuring compliance with such agreement. It will be solely your responsibility to ensure that the agreement complies with applicable laws.

15.5. Breach of Covenants Causes Irreparable Injury. You acknowledge that your violation of any covenant of this Article 15 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and you consent to the issuance of, and agree to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

15.6. Exception for Publicly Held Companies. The foregoing restrictions shall not apply to your ownership or any Owner's ownership of less than a 5% beneficial interest in the outstanding equity securities of any company registered under the Securities Act of 1933 or the Securities Exchange Act of 1934.

15.7. Improvements. If you, your employees, or Owners develop any new concept, process or improvement in the operation or promotion of FLOSS® Office (an "**Improvement**"), you agree to promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such Improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all related patents, patent applications, and other intellectual property rights. You and your Owners hereby assign to Franchisor any rights you or your Owners may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. You and your Owners agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. You and your Owners hereby irrevocably designate and appoint Franchisor as agent and attorney-in-fact for you and for them to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section 15.7. are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe on you or your Owners' rights therein.

16. REPRESENTATIONS

16.1. Representations of Franchisor. Franchisor represents and warrants that ***(a)*** Franchisor is duly organized and validly existing under the law of the state of its formation; ***(b)*** Franchisor is duly qualified and authorized to do business in each jurisdiction in which its business activities or the nature of the properties it owns requires such qualification; and ***(c)*** the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within Franchisor's corporate power and have been duly authorized.

16.2. Representations of Franchisee.

16.2.1. You represent and warrant that the information set forth in Attachment C, incorporated by reference hereto, is accurate and complete in all material respects. You shall notify Franchisor in writing within 10 days of any change in the information set forth in Attachment C. You further represent to Franchisor that ***(a)*** you are duly organized and validly existing under the law of the state of your formation; ***(b)*** you are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification; and ***(c)*** your corporate charter or written partnership or limited liability company agreement, as applicable, will at all

times provide that your activities are confined exclusively to the operation of the Franchised Business. You warrant and represent that neither you nor any of your Affiliates or Owners own, operate or have any financial or beneficial interest in any business that is the same as or similar to FLOSS® Office; and the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under your written partnership or limited liability company agreement and have been duly authorized.

16.2.2. You acknowledge that you have conducted an independent investigation of FLOSS® franchise opportunity, and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent on your ability as an independent business person.

16.2.3. Except for representations contained in Franchisor's Franchise Disclosure Document provided to you in conjunction with this franchise offering, you represent that neither Franchisor nor its agents or representations have made any representations, and you have not relied on representations made by Franchisor or its agents or representatives, concerning actual or potential Gross Collections, expenses or profit of a FLOSS® Office.

16.2.4. You acknowledge that you have received a complete copy of Franchisor's Franchise Disclosure Document at least 14 calendar days before you signed this Agreement or paid any consideration to Franchisor for your franchise rights.

16.2.5. You acknowledge that you have read and that you understand the terms of this Agreement and its Attachments, and that you have had ample time and opportunity to consult with an attorney or business advisor of your choice about the potential risks and benefits of entering into this Agreement.

16.2.6. You represent that neither your property nor any interest in your property, nor the property of any of your Owners, officers, directors, managers, members, partners, agents or employees, or their respective interests therein, have been blocked pursuant to Executive Order 13224 of September 23, 2001, pertaining to persons who commit, threaten to commit, or support terrorism ("**Blocked Persons**"). You represent and warrant to Franchisor that you will not accept money from or employ any Blocked Person.

17. NOTICES

17.1. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail; by private overnight delivery; or by facsimile or other electronic system. Service shall be deemed conclusively made ***(a)*** at the time of service, if personally served; ***(b)*** 24 hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; ***(c)*** upon the earlier of actual receipt or three calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; ***(d)*** 24 hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; and ***(e)*** at the time of transmission by telecopier, if such transmission occurs prior to 5:00 p.m. on a Business Day and a copy of such notice is mailed within 24 hours after the transmission. Notices and demands shall be given to the respective parties at the addresses set forth on the Summary Pages, unless and until a different address has been designated by written notice to the other party. Either party may change its address for the purpose of receiving notices, demands and other communications as in this Agreement by providing a written notice given in the manner aforesaid to the other party.

18. CONSTRUCTION

18.1. Entire Agreement. This Agreement and any other agreements executed by the parties concurrently with the parties' execution of this Agreement represent the entire fully integrated agreement

between the parties and supersede all other negotiations, agreements, representations, and covenants, oral or written. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that Franchisor made in the Franchise Disclosure Document (including its Exhibits and amendments) that Franchisor delivered to you in connection with this franchise offering. Except for those changes permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to in writing by the parties and executed by their authorized officers or agents.

18.2. No Waiver. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless the same is made in writing and duly executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid.

18.3. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

18.4. Survival of Terms. Any provision or covenant of this Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement shall survive such expiration or termination.

18.5. Definitions and Captions. Unless otherwise defined in this body of this Agreement, capitalized terms shall have the meaning ascribed to them in Attachment A ("**Glossary of Additional Terms**"). All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

18.6. Persons Bound. This Agreement shall be binding on the parties and their respective successors and assigns. Each Owner shall execute the Personal Guaranty and Undertaking attached as Attachment D-1. Failure or refusal to do so shall constitute a breach of this Agreement. You and each Owner shall be joint and severally liable for each person's obligations hereunder and under the Personal Guaranty and Undertaking.

18.7. Rules of Construction. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement shall be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

18.8. Timing. Time is of the essence with respect to all provisions in this Agreement. Notwithstanding the foregoing, if performance of either party is delayed on account of a Force Majeure, the applicable deadline for performance shall be extended for a period commensurate with the Force Majeure, but not to exceed 12 months.

19. APPLICABLE LAW; DISPUTE RESOLUTION

19.1. Choice of Law. This Agreement and all claims arising out of or related to this Agreement or the parties' relationship created hereby shall be construed under and governed by the laws of the State of Texas (without giving effect to any conflict of laws).

19.2. Mediation.

19.2.1. The parties acknowledge that during the term and any extensions of this Agreement certain disputes may arise that the parties are unable to resolve, but that may be resolvable through mediation. To facilitate such resolution, Franchisor, you, and each Owner agree to submit any claim,

controversy or dispute between Franchisor or its Affiliates (and Franchisor's and its Affiliate's respective owners, officers, directors, agents, representatives and/or employees) and you or your Affiliates (and your Owners, agents, representatives and/or employees) arising out of or related to ***(a)*** this Agreement or any other agreement between Franchisor and you, ***(b)*** Franchisor's relationship with you, or ***(c)*** the validity of this Agreement or any other agreement between Franchisor and you, to mediation before bringing such claim, controversy or dispute in a court or before any other tribunal.

19.2.2. The mediation shall be conducted by a mediator agreed upon by Franchisor and you and, failing such agreement within not more than 15 days after either party has notified the other of its desire to seek mediation, by the American Arbitration Association or any successor organization ("AAA") in accordance with its rules governing mediation. Mediation shall be held at the offices of the AAA in the city where Franchisor maintains its principal business offices. The costs and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys' fees incurred by either party), shall be borne by the parties equally.

19.2.3. If the parties are unable to resolve the claim, controversy or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may bring a legal proceeding pursuant to Section 19.3. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

19.2.4. Notwithstanding the foregoing provisions of this Section 19.2.4., the parties' agreement to mediate shall not apply to controversies, disputes or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, the Proprietary Marks, Copyrighted Works or Franchisor's Confidential Information. Moreover, regardless of this mediation agreement, Franchisor and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction.

19.3. Venue. With respect to any controversies, disputes or claims which are not finally resolved through mediation as provided in Section 19.2., the parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the state and federal judicial district courts located in the county where Franchisor maintains its principal business address at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

19.4. Non-exclusivity of Remedy. No right or remedy conferred upon or reserved to Franchisor or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

19.5. WAIVER OF JURY TRIAL. FRANCHISOR AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

19.6. WAIVER OF PUNITIVE DAMAGES. THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

19.7. Right to Injunctive Relief. Nothing in this Agreement contained shall bar Franchisor's right to seek injunctive relief from any court of competent jurisdiction; and you agree to pay all costs and reasonable attorneys' fees incurred by Franchisor in obtaining such relief.

19.8. Attorneys' Fees. If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

19.9. Counterparts and Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. Execution of this Agreement via DocuSign or other reputable e-signature services shall constitute valid and legally binding execution.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates noted below, but effective for all purposes as of the Effective Date.

FLOSS, LLC	**FRANCHISEE**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

FLOSS, LLC
FRANCHISE AGREEMENT

ATTACHMENT A
GLOSSARY OF ADDITIONAL TERMS

"**Account**" means your commercial bank operating account.

"**Affiliate**" means an affiliate of a named person identified as any person or entity that is controlled by, controlling or under common control with such named person.

"**Agreement**" means the Franchise Agreement.

"**Business Day**" means each day other than a Saturday, Sunday, U.S. holiday or any other day on which the Federal Reserve is not open for business in the United States.

"**Business Entity**" means any person with the power to enter into contracts, other than a natural person. The term includes a corporation, limited liability company, limited partnership, and trust.

"**Confidential Information**" means all trade secrets, and other elements of the System; all customer information; all information contained in the Manuals; Franchisor's standards and specifications for all services and products offered at FLOSS® Offices; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of their operation under the terms of the Franchise Agreement, and all other information that Franchisor designates.

"**Control Date**" means the date specified in the Summary Pages which is the date you must acquire a site approved by Franchisor for the development of the Office.

"Copyrighted Works" means works of authorship which are owned by Franchisor and fixed in a tangible medium of expression including, without limitation, the content of the Manual, the design elements of the Proprietary Marks, Franchisor's product packaging, and advertising and promotional materials, and the content and design of Franchisor's Website and advertising and promotional materials.

"**Crisis Management Event**" means any event that occurs at or about the Office premises or in connection with the operation of the Franchised Business that has or may cause harm or injury to customers or employees, such as contagious diseases, natural disasters, terrorist acts, shootings or other acts of violence, or any other circumstance which may materially and adversely affect the System or the goodwill symbolized by the marks.

"**Force Majeure**" means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot or other civil disturbance; epidemics; or other similar forces which could not, by the exercise of reasonable diligence, have been avoided; provided, however, that neither an act or failure to act by a government authority, nor the performance, nonperformance, or exercise of rights by your lender, contractor, or other person qualifies as a Force Majeure unless the act, failure to act, performance, non-performance, or exercise of rights resulted from a Force Majeure. Your financial inability to perform or your insolvency is not a Force Majeure.

"**Gross Collections**" means the aggregate of: ***(al1)*** all revenue from the sale of products and services, whether made for cash, on credit, or otherwise, without reserve or deduction for inability or failure to collect, that you, in the normal course of your operations would credit or attribute to the operation of a FLOSS® Office; ***(b)*** all monies, trade value or other things of value that you receive from Office operations at, in, or from the Office premises that are not expressly excluded from Gross Collections; and ***(c)*** business interruption insurance proceeds. Gross Collections do not include: ***(i)*** the exchange of merchandise between FLOSS® Offices (if you operate multiple Offices) if the exchanges are made solely

for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Office premises; ***(ii)*** returns to shippers, vendors, or manufacturers; ***(iii)*** sales of fixtures or furniture after being used in the conduct of the Franchised Business; ***(iv)*** cash or credit refunds for transactions included within Gross Collections (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); ***(v)*** the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both ***(1)*** added to the selling price or absorbed therein and ***(2)*** paid to the taxing authority by you. Customer refunds may be deducted from Gross Collections if the charge was previously included in Gross Collections.

"**Office Manager**" means an individual who Franchisee has designated, and Franchisor has approved, who has full control over the day-to-day management and operations of the Office, who has completed Franchisor's initial training program and all additional training that Franchisor requires, to Franchisor's satisfaction, and who devotes his or her full time best efforts to Office management and operations.

"**Manuals**" means manuals to which the franchisee has been provided access by Franchisor.

"**Managing Owner**" means the Owner appointed as the primary overseer of the operation of the franchised business and who holds a minimum 10% ownership interest in the franchisee. The Managing Owner may also be the Office Manager.

"**Owner**" means each individual or entity holding a beneficial ownership in the franchisee. It includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the trust.

"**Proprietary Marks**" means certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark "FLOSS" and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System.

"**Manual**" means the compilation of information and knowledge that is necessary and material to the System. The term Manual, as used in this Agreement, includes all publications, materials, drawings, memoranda, videotapes, CDs, DVDs, MP3s, and other electronic media that Franchisor from time to time may loan to you. The Manual may be supplemented or amended from time to time by letter, electronic mail, bulletin, videotape, CD, DVD, MP3, or other communications concerning the System to reflect changes in the image, specifications, and standards relating to developing, equipping, furnishing, and operating a FLOSS® Office.

"**Office**" means a physical structure, identified by the name FLOSS®, which is separated from other businesses by one or more exterior walls or interior demising walls, and at which dental and non-dental services and products are provided. The term "Office" also includes facilities located in Closed Markets regardless of any differences (for example in offering, footprint, or structure) to other FLOSS® Offices.

"**System**" means a distinctive system relating to the establishment and operation of an upscale Office featuring a full range of dental services, including cosmetic dentistry, by utilizing the newest technology, and our non-clinical/non-dental methods of operation under the trade name and trademark FLOSS®.

"**You**" means the franchisee identified above and its successors and assigns.

FLOSS, LLC
FRANCHISE AGREEMENT

ATTACHMENT B
THE SITE SELECTION AREA, CONTROL DATE, FRANCHISED LOCATION, OPENING DATE AND THE PROTECTED AREA

Section 3.1. The Site Selection Area is: _____

Section 3.1. The Control Date is: _____

IN WITNESS WHEREOF, the parties have executed this Attachment B on this ___ day of _____, 20___.

FLOSS, LLC	**FRANCHISEE**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

As of the date set forth below, the Franchise Location has been determined and, as such, Attachment B is supplemented as follows:

Section 1.1.2. The Franchised Location is at: _____

Section 3.5.1. The Opening Date is: _____

Section 1.2. The Protected Area is: _____

but excludes all Closed Markets within such area. A "**Closed Market**" is any facility serving a captive market, including hotels, resorts, Shopping malls (defined as enclosed or open retail centers with gross leasable area in excess of 350,000 square feet), airports, public facilities, college and school campuses, military bases, and any other mass gathering events or locations, and facilities of any kind for which dental and other related services rights are, or may reasonably be anticipated to be, contracted to a third party or parties.

If the Protected Area is defined by streets, highways, freeways or other roadways, or rivers, streams, or tributaries, then the boundary of the Protected Area shall extend to the center line of each such street, highway, freeway or other roadway, or river, stream, or tributary.

[*The Signature Page Follows*]

IN WITNESS WHEREOF, the parties have supplemented this Attachment B on this ____ day of

_____, 20____.

FLOSS, LLC

By:_____

Name: _____

Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

FLOSS, LLC
FRANCHISE AGREEMENT

ATTACHMENT C
ENTITY INFORMATION

If the franchisee is an entity, you represent and warrant that the following information is accurate and complete in all material respects as of _____, 20___.

(1) Franchisee is a _____, formed under the laws of the State of _____.

(2) You shall provide to Franchisor concurrently with the execution hereof true and accurate copies of the franchisee's charter documents and governing documents including Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution hereof, and any amendments to the foregoing.

(3) You promptly shall provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in the franchisee entity.

(4) The name and address of each of Owner:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(5) The address where the Franchisee's financial records, and other records (e.g., Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, etc.) are maintained is: _____.

FLOSS, LLC

By: _____

Name: _____

Title: _____

FRANCHISEE

_____

By: _____

Name: _____

Title: _____

FLOSS, LLC
FRANCHISE AGREEMENT

ATTACHMENT D-1
PERSONAL GUARANTY AND UNDERTAKING

1. I have read the Franchise Agreement between FLOSS, LLC and _____ (the "**Franchisee**").

2. I own a beneficial interest in the Franchisee, and would be considered an "**Owner**" within the definition contained in the Franchise Agreement.

3. I understand that, were it not for this Personal Guaranty and Undertaking (the **"Guaranty"**), Franchisor would not have agreed to enter into the Franchise Agreement with the Franchisee.

4. I will comply with of the provisions contained in Article 7 of the Franchise Agreement concerning the Franchisee's use of Franchisor's Proprietary Marks and Copyrighted Works (as each term is defined in the Franchise Agreement). I understand that, except for the license granted to the Franchisee, I have no individual right to use the Proprietary Marks or Copyrighted Works and I have no ownership interest in the Proprietary Marks or Copyrighted Works.

5. I will comply with all of the provisions contained in Article 8 of the Franchise Agreement concerning the use of the Confidential Manuals and Information. I will maintain the confidentiality of all Confidential Information disclosed to me. I agree to use the Confidential Information only for the purposes authorized under the Franchise Agreement. I further agree not to disclose any of the Confidential Information, except ***(a)*** to the Franchisee's employees on a need to know basis, ***(b)*** to the Franchisee's and my legal and tax professionals to the extent necessary for me to meet my legal obligations, and ***(c)*** as otherwise may be required by law.

6. I will comply with all of the provisions contained in Article 12 of the Franchise Agreement concerning the transfer of my ownership interest in the Franchisee.

7. While I am an Owner of the Franchisee and, for a two-year period after I cease to be an Owner (or two years after termination or expiration (without renewal) of the Franchise Agreement, whichever occurs first), I will not:

(a) Divert or attempt to divert any present or prospective customer of FLOSS® Office to any competitor or do anything to harm the goodwill associated with the Proprietary Marks and the System;

(b) Employ or seek to employ any person who is or has been within the previous 30 days employed by Franchisor or an Affiliate of Franchisor as a salaried managerial employee, or induce such person to leave his or her employment; or

(c) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any business that engages in Office services featuring a full range of dental services, including cosmetic dentistry, by utilizing the newest technology, and our non-clinical/non-dental methods of operation, other than an Office operated pursuant to a then-currently effective franchise agreement. This restriction shall apply, while I am an Owner, to any location within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Proprietary Marks or similar marks or operate or license others to operate a business under the Proprietary Marks or similar marks. It will apply for two years after I cease to be an Owner (or two years after termination or expiration of the Franchise Agreement, whichever occurs first) to any location that ***(i)*** is, or is intended to be, located at the location of the former Franchised Business; or ***(ii)*** within a 30-mile radius of the Franchised Location or any other Office operating under the System and Proprietary Marks in existence or under development at the time I

cease being an Owner (or termination or expiration of the Franchise Agreement, whichever occurs first). This restriction will be tolled during any period of my noncompliance.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Guaranty. If all or any portion of a covenant in this Guaranty is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Guaranty.

9. I understand and acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Guaranty, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.

10. I agree that the provisions contained in Article 19 of the Franchise Agreement will apply to any dispute arising out of or relating to this Guaranty. If Franchisor brings any legal action to enforce its rights under this Guaranty, I will reimburse Franchisor its reasonable attorneys' fees and costs.

11. I hereby guarantee the prompt and full payment of all amounts owed by the Franchisee under the Franchise Agreement, except for damages in the nature of lost profits or lost future royalties caused by the premature termination of the Franchise Agreement or early closure of FLOSS® Office. I understand that I am not personally responsible for any lost profits or lost future royalties that Franchisor may incur based on the premature termination of the Franchise Agreement or early closure of FLOSS® Office.

12. I will pay all amounts due under this Guaranty within 14 days after receiving notice from Franchisor that the Franchisee has failed to make the required payment. I understand and agree that Franchisor need not exhaust its remedies against the Franchisee before seeking recovery from me under this Guaranty.

13. No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Guaranty. If the Franchisee has pledged other security or if one or more other persons have personally guaranteed performance of the Franchisee's obligations, I agree that Franchisor's release of such security will not affect my liability under this Guaranty.

14. I hereby waive ***(a)*** all rights described in California Civil Code Section 2856(a)(1)-(2), inclusive, which includes, without limitation, any rights and defenses which are or may become available to the undersigned by reason of California Civil Code Sections 2787 to 2855, inclusive; and ***(b)*** California Civil Code Sections 2899 and 3433.

15. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE FRANCHISE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE FRANCHISE AGREEMENT, AND/OR THE OFFER OR GRANT OF THE FRANCHISE**.

16. I understand that Franchisor's rights under this Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under applicable law.

17. I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand; one Business Day after electronically confirmed transmission by facsimile or other electronic system; one Business Day after delivery by Express Mail or other recognized, reputable overnight courier; or three Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below. I may change this address only by delivering to Franchisor written notice of the

change.

Intending to be legally bound, I have executed this Personal Guaranty and Undertaking on the date set forth below:

GUARANTOR

Dated: _____

_____

Name: _____

Address: _____

_____

Fax: _____

FLOSS, LLC
FRANCHISE AGREEMENT

ATTACHMENT D-2
FORM OF CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(for Franchisee's Owners and Trained Managers)

In accordance with the terms of this Confidentiality and Non-Competition Agreement ("**Confidentiality Agreement**") and in consideration of my being a _____ of _____ (the "**Franchisee**"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. _____ doing business as _____ (the "**Franchisee**"), has acquired the right and franchise from FLOSS, LLC ("**Franchisor**") to establish and operate a Franchised Business (the "**Franchised Business**") and the right to use in the operation of the Franchised Business Franchisor's trade names, trademarks, service marks, including the service mark FLOSS (the "**Proprietary Marks**") and the system developed by Franchisor and/or its affiliates for operation and management of Franchised Businesses (the "**System**"), as they may be changed, improved, and further developed from time to time in Franchisor's sole discretion.

2. Franchisor possesses certain proprietary and confidential information relating to the operation of the System, which includes the Manuals, trade secrets, and copyrighted materials, methods, and other techniques and know-how (the "**Confidential Information**").

3. Any and all manuals, trade secrets, copyrighted materials, methods, information, knowledge, know-how, and techniques which Franchisor specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Confidentiality Agreement.

4. As _____ of the Franchisee, Franchisor and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, Franchisor's operations manual (the "**Manual**") and other general assistance during the term of this Confidentiality Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by Franchisor as confidential. Unless Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by Franchisor, I shall not, while in my position with the Franchisee and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, and continuing for a two (2) year period thereafter, either directly or indirectly, for myself or through, on behalf of, or in conjunction with any other person, partnership, corporation, or other limited liability company own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any business that: (a) offers dental-related products or services as primary items; (b) offers products or services that are

essentially the same as, or substantially similar to, the products and services that are part of the System; or (c) offers or has granted franchises or licenses or establishes or has established joint ventures for the development and/or operation of businesses of the type described in the foregoing clauses (a) or (b). This covenant has no geographic limitation (to the full extent of the law) while I am in my position with Franchisee. During the aforementioned two (2)-year period, this covenant applies within a 30-mile radius of any FLOSS® Office (franchised or company-owned), as that term is defined in the Franchise Agreement. This restriction does not apply to my ownership of less than five percent beneficial interest in the outstanding securities of any publicly-held corporation.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Confidentiality Agreement. If all or any portion of a covenant in this Confidentiality Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Confidentiality Agreement.

9. I understand and acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Confidentiality Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.

10. Franchisor is a third-party beneficiary of this Confidentiality Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Confidentiality Agreement will cause Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or Franchisor may apply for the issuance of an injunction preventing me from violating this Confidentiality Agreement, and I agree to pay the Franchisee and Franchisor all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Confidentiality Agreement is enforced against me. Due to the importance of this Confidentiality Agreement to the Franchisee and Franchisor, any claim I have against the Franchisee or Franchisor is a separate matter and does not entitle me to violate, or justify any violation of this Confidentiality Agreement.

11. This Confidentiality Agreement shall be construed under the laws of the State of Texas. The only way this Confidentiality Agreement can be changed is in writing signed by both the Franchisee and me.

12. With respect to all claims, controversies and disputes, I irrevocably consent to personal jurisdiction and submit myself to the jurisdiction of the state courts located in Fort Bend County, Texas, and the nearest United States District Court in Texas. I acknowledge that this Confidentiality Agreement has been entered into in the state of Texas, and that I am to receive valuable information emanating from Franchisor's headquarters in Grapevine, Texas. In recognition of the information and its origin, I hereby irrevocably consent to the personal jurisdiction of the state and federal courts of Texas as set forth above. Notwithstanding the foregoing, I acknowledge and agree that Franchisor or the Franchisee may bring and maintain an action against me in any court of competent jurisdiction for injunctive or other extraordinary relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

THE PARTIES HERETO, INTENDING TO BE LEGALLY BOUND, HAVE EXECUTED THIS CONFIDENTIALITY AGREEMENT AS OF THE DATES NOTED BELOW.

[OWNER/MANAGER]	**ACKNOWLEDGED BY FRANCHISEE**
Signature:_____	By:_____
Name:_____	Name:_____

Address:_____ Title:_____

Title:_____

Date:_____ Date:_____

ACKNOWLEDGED BY FRANCHISOR *[IF SIGNED BY FRANCHISEE'S OWNER]*

Signature:_____

Name:_____

Address:_____

Title:_____

Date:_____

FLOSS, LLC
FRANCHISE AGREEMENT

ATTACHMENT E
ACH AUTHORIZATION
AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Please complete and sign this form.

(a) **Franchisee Information**

Franchisee Name or Legal Entity _____

FLOSS® Office Number & Location _____

Name and Email of Person to Receive ACH Debit Advice _____

I (we) hereby authorize FLOSS, LLC ("Company") to make ACH withdrawals from my (our) account at the financial institution named below. I also authorize the Company to initiate direct deposits into this account in the event that a debit entry is made in error. I (we) acknowledge that the origination of ACH transactions to or from my (our) account must comply with the provisions of U.S. law.

I agree to indemnify the Company for any loss arising in the event that any withdrawals from my (our) account shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

This agreement will remain in effect until the Company has received advanced written notice of cancellation from me (us) in such time and in such manner as to afford the Company a reasonable opportunity to act on it, and in no event shall such notice period be less than thirty (30) days.

Name of Financial Institution:		
ABA Routing Number:		
Account Number:	Checking ☐	Savings ☐

Authorized Signature (Primary):	**Date:**
Authorized Signature (Joint):	**Date:**

Account holder(s), please sign here: ***(Joint accounts require the signature of all persons having authority over the account)***

Please attach a voided check at right, email and mail to:
FLOSS, LLC, Attn: President
15921 City Walk,
Sugar Land, Texas 77479
Email: franchise@flossdental.com

ATTACH CHECK HERE

FLOSS, LLC
FRANCHISE AGREEMENT

ATTACHMENT F
LEASE ADDENDUM

THIS LEASE ADDENDUM (the " **Lease Addendum**") is made and entered into as of the ___ day of _____, 20__, by and between _____ ("**Landlord**"), with its principal offices at _____ and _____ _____ ("**Franchisee**" or "**Tenant**"), with its principal offices at _____ _____, and FLOSS, LLC ("**Franchisor**") with its principal offices at 15921 City Walk, Sugar Land, Texas 77479.

BACKGROUND

A. FLOSS, LLC or its affiliates, and their successors or assigns ("**Franchisor**") franchises the operation of an upscale Office (each "**FLOSS® Office**" or "**Office**") featuring a full range of dental services, including cosmetic dentistry, by utilizing the newest technology, and our non-clinical/non-dental methods of operation under the name FLOSS® and/or other trademarks, service marks, logos, and other indicia of origin prescribed by Franchisor (collectively, the "**Proprietary Marks**").

B. Franchisee has acquired the right and has undertaken the obligation to develop and operate FLOSS® Office pursuant to the terms and conditions of a certain franchise agreement between Franchisee and Franchisor ("**Franchise Agreement**").

C. Under the terms and conditions of the Franchise Agreement, Franchisor has the right to approve the site for the Office; and if the Office premises will be occupied pursuant to a commercial lease, Franchisor has prescribed certain lease terms and has the right to condition its approval of a proposed site on inclusion of the prescribed lease terms.

D. Franchisee desires, and has requested Franchisor's approval, to develop and operate one FLOSS® Office at the premises ("**Premises**") identified in the attached lease ("**Lease**").

E. Landlord desires to lease to Franchisee the Premises for purposes of developing and operating one FLOSS® Office.

F. The parties desire to modify and amend the Lease in accordance with the terms and conditions contained herein for purposes of obtaining Franchisor's approval.

(1) During the term of the Franchise Agreement, the Premises will be used only for the operation of the Office.

(2) Landlord consents to Franchisee's use of such Proprietary Marks and signs, interior and exterior décor, furnishings, fixtures, items, color schemes, plans, specifications, and related components of FLOSS® System (as defined in the Franchise Agreement and as Franchisor may prescribe for the Office).

(3) Landlord agrees to furnish Franchisor with copies of any and all letters and notices sent to Franchisee pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Franchisee.

(4) Franchisor will have the right to enter onto the Business premises at any time, to make any modification or alteration necessary to protect FLOSS® System and Proprietary Marks or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort, and the Landlord will not be responsible for any expense or damages arising from

Franchisor's action in connection therewith.

(5) In the event of Franchisee's default under the terms of the Lease, Landlord shall promptly deliver notice of such default to Franchisor and shall offer Franchisor the opportunity to cure the default and to assume the Lease in Franchisor's name. If Franchisor elects to cure the default and assume the Lease, Franchisor, within 10 days of its receipt of notice from Landlord, shall notify Landlord of its intent to cure such default and to assume the Lease. If Franchisor elects to cure the default, it shall cure the default within 30 days of such election or, if the default cannot be reasonably cured within such 30-day period, then Franchisor will commence and proceed to cure the default within such time as is reasonably necessary to cure the default. If Franchisor elects to assume the Lease, Landlord agrees to recognize Franchisor as the tenant under the Lease and Franchisee will no longer have any rights there under.

(6) Franchisee will be permitted to assign the Lease to Franchisor or its affiliates upon the expiration (without renewal) or earlier termination of the Franchise Agreement and the Landlord hereby consents to such assignment and agrees not to impose or assess any assignment fee or similar charge or accelerate rent under the Lease in connection with such assignment, or require Franchisor to pay any past due rent or other financial obligation of Franchisee to Landlord, it being understood that Landlord will look solely to the Franchisee for any rents or other financial obligations owed to Landlord prior to such assignment. Landlord and Franchisee acknowledge that Franchisor is not a party to the Lease and will have no liability under the Lease, unless and until the Lease is assigned to, or assumed by, Franchisor.

(7) Except for Franchisee's obligations to Landlord for rents and other financial obligations accrued prior to the assignment of the Lease, in the event of such assignment, Franchisor or any affiliate designated by Franchisor will agree to assume from the date of assignment all obligations of Franchisee remaining under the Lease, and in such event Franchisor or any affiliate will assume Franchisee's occupancy rights, and the right to sublease the Premises, for the remainder of the term of the Lease. In the event of such assignment, neither Franchisor nor any affiliate will be required to pay to Landlord any security deposit.

(8) Notwithstanding anything contained in this Lease, Franchisor is expressly authorized, without the consent of the Landlord, to assign the Lease, or to sublet all or a portion of Premises, to an authorized franchisee. If Franchisor elects to assign the Lease, the subtenant/franchisee shall expressly assume all of Franchisor's obligations under the Lease, and Franchisor shall be released of all obligations to Landlord under the Lease as of the date of assignment. If Franchisor elects to sublet the premises, such subletting shall be subject to the terms of this Lease, the subtenant/franchisee shall expressly assume all of Franchisor's obligations under the Lease, and Franchisor shall remain liable for the performance of the terms of this Lease. Franchisor shall notify Landlord as to the name of the subtenant/franchisee within 10 days after such assignment or subletting, as applicable.

(9) Franchisee will not assign the Lease or renew or extend the term thereof without the prior written consent of Franchisor.

(10) Neither Landlord nor Franchisee shall amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without the prior written consent of Franchisor.

(11) All notices hereunder shall be by certified mail to the addresses set forth above or to such other addresses as the parties hereto may, by written notice, designate. Notices required to be given to Franchisor shall be delivered to the following address: 15921 City Walk, Sugar Land, Texas 77479.

(12) This Lease Addendum shall be binding upon the parties hereto, their heirs, executors, successors, assigns and legal representatives.

The terms of this Lease Addendum will supersede any conflicting terms of the Lease

IN WITNESS WHEREOF, the parties have executed this Lease Addendum as of the date first above

written.

Landlord:

_____

By: _____
Name: _____
Title: _____

Franchisee:

_____

By: _____
Name: _____
Title: _____

FLOSS, LLC

By: _____
Name: _____
Title: _____

FLOSS, LLC
FRANCHISE AGREEMENT

ATTACHMENT G
TELEPHONE NUMBER ASSIGNMENT AGREEMENT

THIS TELEPHONE NUMBER ASSIGNMENT AGREEMENT is made as this _____ day of _____, 20___, ("**Assignment**") by and between _____ (hereinafter the "**Assignor**") and FLOSS, LLC (hereinafter the "**Assignee**").

WITNESSETH:

WHEREAS, the Assignee has developed and owns the proprietary system ("**System**") for the operation of an upscale Office featuring a full range of dental services, including cosmetic dentistry, by utilizing the newest technology, and our non-clinical/non-dental methods of operation under the trademark and logo FLOSS® (the "**Franchised Business**");

WHEREAS, the Assignor has been granted a license to operate a Franchised Business pursuant to a Franchise Agreement dated _____, 20___, in accordance with the System ("**Franchise Agreement**");

WHEREAS, in order to operate its Franchised Business, the Assignor shall be acquiring one or more telephone numbers, telephone listings and telephone directory advertisements; and

WHEREAS, as a condition to the execution of the Franchise Agreement, the Assignee has required that the Assignor assign all of its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements to the Assignee in the event of the expiration or termination of the Franchise Agreement;

NOW, THEREFORE, in consideration of the foregoing, the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignment. In the event of termination of the Franchise Agreement, and in order to secure continuity and stability of the operation of the System, the Assignor hereby sells, assigns, transfers and conveys to the Assignee all of its rights, title and interest in and to certain telephone numbers, telephone listings and telephone directory advertisements pursuant to which Assignor shall operate its Franchised Business in accordance with the terms of the Franchise Agreement; provided, however, such Assignment shall not be effective unless and until the Franchise Agreement expires or is terminated in accordance with the provisions thereof.

2. Representation and Warranties of the Assignor. The Assignor hereby represents, warrants and covenants to the Assignee that:

(a) As of the effective date of the Assignment, all of the Assignor's obligations and indebtedness for telephone, telephone listing services and telephone directory advertisement services shall be paid and current;

(b) As of the date hereof, the Assignor has full power and legal right to enter into, execute, deliver and perform this Agreement;

(c) This Agreement is a legal and binding obligation of the Assignor, enforceable in accordance with the terms hereof;

(d) The execution, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default under any contract, agreement or instrument to which the Assignor is a party

or by which the Assignor is bound, and no consent of nor approval by any third party is required in connection herewith; and

(e) The Assignor has the specific power to assign and transfer its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements (individually and collectively referred to as "**Listings**"), and the Assignor has obtained all necessary consents to this Assignment.

(f) Notwithstanding the foregoing, Assignor hereby warrants and represents to Assignee that Assignor will within one (1) business day following Assignor's receipt of Assignee's request to acquire the Listings to immediately instruct each of Assignor's providers to initiate the process and provide the vendors' documents necessary to complete the assignment. Assignee further warrants and represents that Assignee will take no action to impede or prohibit the successful assignment of the Listings to Assignor, and that Assignor shall fully cooperate with Assignee with regard to the assignment; specifically in the execution of any documentation required by Assignor's provider(s) to effectuate the assignment of the telephone numbers and Listings.

3. Miscellaneous. The validity, construction and performance of this Assignment shall be governed by the laws of the State of Texas. All agreements, covenants, representations and warranties made herein shall survive the execution hereof. All rights of the Assignee shall inure to its benefit and to the benefit of its successors and assigns.

IN WITNESS WHEREOF, each of the parties has executed this Assignment as of the day and year first written above.

ASSIGNEE:

FLOSS, LLC
a Texas corporation

By: _____

Name: _____

Title: _____

ASSIGNOR:

_____

By: _____

Name: _____

Title: _____

FLOSS, LLC
FRANCHISE AGREEMENT

ATTACHMENT H
FRANCHISEE QUESTIONNAIRE

As you know, FLOSS, LLC and you are preparing to enter into a Franchise Agreement for the operation of one FLOSS® Office franchise. The purposes of this Questionnaire are to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

Yes____ No ____ 1. Have you received and personally reviewed the Franchise Agreement and each Exhibit or schedule attached to it?

Yes____ No ____ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes____ No ____ 3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

Yes____ No ____ 4. Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?

Yes____ No ____ 5. A) Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor?

Yes____ No ____ B) Have you discussed the benefits and risks of operating FLOSS® Office franchise with your professional advisor?

Yes____ No ____ C) Did you discuss the benefits and risks of operating FLOSS® Office franchise with an existing FLOSS® Office franchisee?

Yes____ No ____ 6. Do you understand the risks of operating FLOSS® Office franchise?

Yes____ No ____ 7. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the person you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes____ No ____ 8. A) Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be brought in the judicial district in which our principal place of business is located, if not resolved informally?

Yes____ No ____ B) Do you understand the Franchise Agreement provides you can only collect compensatory damages on any claim under or relating to the Franchise Agreement, and not any punitive, exemplary or multiple damages)?

Yes____ No ____ 9. Do you understand that your Managing Owner and Office Manager (if applicable) must successfully complete our initial training program?

Yes____ No ____ 10. Do you understand we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises?

Yes____ No ____ 11. A) Do you understand that the US Government has enacted anti-terrorist legislation that prevents us from carrying on business with any suspected terrorist or anyone associated directly or indirectly with terrorist activities?

Yes____ No ____ B) Have you ever been a suspected terrorist or associated directly or indirectly with terrorist activities?

Yes____ No ____ C) Do you understand that we will not approve your purchase of FLOSS® Office franchise if you are a suspected terrorist or associated directly or indirectly with terrorist activity?

Yes____ No ____ D) Is it true that you are not purchasing FLOSS® Office franchise with the intent or purpose of violating any anti-terrorism law, or for obtaining money to be contributed to a terrorist organization?

Yes____ No ____ 12. Has any employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating FLOSS® Office franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No ____ 13. Has any employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue FLOSS® Office franchise will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No ____ 14. Has any employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in our Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No ____ 15. Do you understand that the Franchise Agreement contains the entire agreement between us and you concerning the franchise for FLOSS® Office, meaning any prior oral or written statements not set out in the Franchise Agreement will not be binding?

You understand that Franchisor is acting in reliance on the truthfulness and completeness of your responses to the questions above in entering into the Agreements with Franchisee. YOU ACKNOWLEDGE AND AGREE THAT IN THE EVENT THAT ANY DISPUTE ARISES, THIS QUESTIONNAIRE SHALL BE ADMISSIBLE AS EVIDENCE IN ANY LEGAL ACTION, AND YOU HEREBY WAIVE, TO THE FULLEST EXTENT PERMISSIBLE UNDER THE LAW, ANY OBJECTION TO SUCH ADMISSION OF THIS QUESTIONNAIRE.

NOTE: IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS OWNERS MUST EXECUTE THIS ACKNOWLEDGEMENT.

FRANCHISEE

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

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

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

EXHIBIT B

AREA DEVELOPMENT AGREEMENT

FLOSS, LLC
AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

SUMMARY PAGES

EFFECTIVE DATE:	_____
DEVELOPER:	_____
ADDRESS FOR NOTICES:	_____
	_____
TELEPHONE NUMBER:	_____
FACSIMILE NUMBER:	_____
E-MAIL ADDRESS:	_____
INITIAL FRANCHISE FEE FOR EACH OFFICE TO BE DEVELOPED:	$First franchise is $35,000, franchises two through four are $25,000 each, and franchises five and beyond are $20,000 each.
DEVELOPMENT AREA:	Refer to Attachment B
NUMBER OF OFFICES TO BE DEVELOPED	_____
TRANSFER FEE	Reimbursement of Franchisor's related costs and expenditures for transfers made for convenience of operation $1,000 (transfer to a business entity, refer to Section 8.2.); or $2,500 (transfer of non-controlling interest, refer to Section 8.3.); or $20,000, plus reimbursement of Franchisor's costs (transfer of Development Agreement, all or substantially all of your assets, or controlling interest, refer to Section 8.4.)
FRANCHISOR ADDRESS FOR NOTICES:	FLOSS, LLC 15921 City Walk, Sugar Land, Texas 77479 Attention: President

FLOSS, LLC
AREA DEVELOPMENT AGREEMENT

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ATTACHMENTS

Attachment A	Glossary of Additional Terms
Attachment B	Office Development Area and Development Schedule
Attachment C	Entity Information
Attachment D	Guaranty and Personal Undertaking
Attachment E	Form of Franchise Agreement

FLOSS, LLC
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (the "**Agreement**") is made and entered into as of the Effective Date reflected in the Summary Pages ("**Effective Date**"), by and between FLOSS, LLC, a Texas corporation ("**Franchisor**"), and the Developer identified in the Summary Pages ("**you**").

A. Franchisor has acquired the license to use and to sublicense the use of an upscale Office ("**Office**") featuring a full range of dental services, including cosmetic dentistry, by utilizing the newest technology, and our non-clinical/non-dental methods of operation under the trade name and trademark FLOSS (the "**System**").

B. The distinguishing characteristics of the System include, without limitation, the combination of products and services provided, distinctive exterior and interior design, decor, color scheme, fixtures, and furnishings; standards and specifications for products and supplies; service standards; uniform standards, specifications, and procedures for operations; procedures for inventory and management control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time (the "**Standards**").

C. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark "**FLOSS**" and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the "**Proprietary Marks**").

D. You desire the right to develop multiple Offices under the System and Marks, and Franchisor desires to grant you such rights, all pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual premises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. GRANT

1.1. Grant of Office Area Development Rights

1.1.1. Franchisor hereby grants to you, and you hereby accept, the right and obligation, to develop the number of FLOSS® Offices in the Development Area (identified in the Summary Pages and Attachment B) within the timeframe set forth in the Development Schedule (identified in Attachment B). Each Office to be developed shall be developed and operated pursuant to a separate franchise agreement to be entered into between you and Franchisor in accordance with Section 4.1.

1.1.2. This Agreement grants you no right or license to use any of the Proprietary Marks; your right to operate an Office and license to use the Proprietary Marks derives solely from the Franchise Agreements that you will enter into under this Agreement.

1.1.3. The development rights granted under this Agreement belong solely to you: you may not share them, divide them, subfranchise or sublicense them, or transfer them, except in accordance with the transfer provisions of this Agreement.

1.2. Development Area Protection.

1.2.1. During the term of this Agreement Franchisor shall not own or operate, or grant anyone else the right to operate, a FLOSS® Office within the Development Area, except for Closed Markets and as described in Section 1.2.2 below.

1.2.2. Franchisor reserves to itself all other rights in and to use the Proprietary Marks including the right to: ***(a)*** the right to own and operate and to grant others the right to own and operate Offices outside the Development Area, regardless of their proximity to the Development Area; ***(b)*** to own and operate FLOSS® Offices and license the use of the Proprietary Marks and System or grant others the right

to own and operate FLOSS® Offices in Closed Markets within and outside the Development Area; and ***(c)*** the right to distribute products and services identified by the Proprietary Marks through alternative channels of distribution including mail order, catalog sales, department stores, retail stores, supermarkets, and/or Internet sales. Franchisor is not required to compensate you if it exercises any of the rights specified in this Section 1.2.2.

1.2.3. Nothing in this Agreement prohibits or restricts Franchisor from ***(a)*** owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (*i.e.*, a mark other than FLOSS), whether or not the business is the same as or competitive with FLOSS® Offices; or ***(b)*** owning, operating, or franchising one or more businesses offering products or services other than those offered in FLOSS® Offices under the name "FLOSS" or some derivative of the Proprietary Marks.

2. TERM OF AREA DEVELOPMENT AGREEMENT

2.1. Term. Unless sooner terminated, the term (the "**Term**") of this Agreement begins on the Effective Date and, unless otherwise negotiated, terminated or extended as provided in this Agreement, expires on the earlier of: ***(a)*** the date on which you have completed your development obligations under this Agreement, or ***(b)*** 12:00 midnight CST on the last day of the last Development Period identified in Attachment B.

2.2. Effect of Termination or Expiration. Upon termination or expiration of this Agreement, all territorial protection afforded under this Agreement ends, and you have no further right to develop any FLOSS® Offices for which a Franchise Agreement has not been signed. Termination or expiration of this Agreement does not affect any rights or obligations under any then-existing Franchise Agreement.

3. INITIAL FRANCHISE FEES

The Summary Pages set forth the amounts of the Initial Franchise Fees for the franchises you agree to develop under the Development Schedule. You shall pay 100% of Initial Franchise Fee for the first franchise and 50% of the Initial Franchise Fees for each additional franchise you agree to develop under the Development Schedule. You shall pay the 50% unpaid balance of each Initial Franchise Fee for each additional franchise upon the first to occur of the following: (1) execution of each Franchise Agreement for each additional franchise, or (2) execution of each commercial lease (or real property purchase) for each relevant Office. The Initial Franchise Fees are fully earned by Franchisor when paid and are not refundable, in whole or in part, under any circumstances.

4. DEVELOPMENT SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

4.1. Separate Franchise Agreements. The Franchise Agreement for the first Office to be developed under this Agreement is the form attached as Attachment E. The Franchise Agreement for the second and each additional Office to be developed is the form of Franchisor's then-current Franchise Agreement, the terms of which may be materially different from the terms of Attachment E.

4.2. Development Schedule. Recognizing that time is of the essence, you agree to satisfy the Development Schedule set forth in Attachment B. Your failure to adhere to the Development Schedule is a default Section 9.2. of this Agreement.

4.3. Manner for Exercising Area Development Rights.

4.3.1. Before exercising any development right granted hereunder, you shall apply to Franchisor for a franchise to operate an Office. If Franchisor, in its sole discretion, determines that you have met each of the following operational, financial, and legal conditions, then Franchisor will grant you a franchise for each respective Office:

(a) Operational Conditions: You are in compliance with the Development Schedule and this Agreement, and you or your Affiliates are in compliance with any other agreement between them and Franchisor or its Affiliates. You are conducting the operation of your existing Offices, if any, and are capable of conducting the operation of the proposed Office in accordance with the terms and conditions of this Agreement, the respective Franchise Agreements, and the Standards, specifications, and procedures set forth and described in the Manuals (as defined in the Franchise Agreement).

(b) Financial Conditions: You and your Owners satisfy Franchisor's then-current financial criteria for developers and Owners of FLOSS® Offices. You and your Owners have been and are faithfully performing all terms and conditions under each of the existing Franchise Agreements with Franchisor. You are not in default, and have not been in default during the rolling 12 months preceding your request for financial approval, of any monetary obligations owed to Franchisor or its Affiliates under any Franchise Agreement or any other agreement between you or your Affiliates and Franchisor or its Affiliates. You acknowledge and agree that it is vital to Franchisor's interest that each of its franchisees must be financially sound to avoid failure of an Office and that such failure would adversely affect the reputation and good name of FLOSS® Offices and the System.

(c) Legal Conditions: You have submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor as a basis for the issuance of individual franchises or pursuant to any right granted to you by this Agreement or by any Franchise Agreement.

4.4. Development Schedule. Acknowledging that time is of the essence, you agree to exercise your development rights according to Section 4.3., and the Development Schedule reflected in Attachment B. You may, subject to the terms and conditions of this Agreement and with Franchisor's prior written consent, which may be withheld in its sole discretion, develop more than the total minimum number of Offices which you are required to develop during any Development Period. Any Offices in excess of the minimum number of Offices required to be developed shall be applied to satisfy your development obligation during the next succeeding Development Period, if any.

4.4.1. If during the Term of this Agreement, you cease to operate any Office developed under this Agreement for any reason, you shall develop a replacement Office. The replacement Office shall be developed within a reasonable time (not to exceed 120 days) after you cease to operate the original Office. If, during the Term of this Agreement, you transfer your interest in an Office in accordance with the terms of the applicable Franchise Agreement for the Office, the transferred Office shall continue to be counted in determining whether you have complied with the Development Schedule so long as it continues to be operated as a FLOSS® Office. If the transferred Office ceases to be operated as a FLOSS® Office during the Term of this Agreement, you shall develop a replacement Office within a reasonable time (not to exceed 120 days) thereafter.

4.4.2. Your failure to adhere to the Development Schedule (including any extensions thereof, approved by Franchisor in writing) or to any time period for the development of replacement Offices is a material breach of this Agreement.

4.5. Projected Opening Dates. Subject to your compliance with Section 4.3., hereof, you shall execute a Franchise Agreement for each Office at or prior to the applicable execution date set forth in the Attachment B, which shall be a date that is at least 12 months prior to the Projected Opening Date for the applicable Office.

4.5.1. At least 13 months prior to expiration of a Development Period expiration date, you shall request to sign a Franchise Agreement for each Office to be developed during the Development Period.

4.5.2. Upon receiving your request, Franchisor shall deliver to you its then-current form of franchise disclosure document, and execution copies of its then-current form of franchise agreement.

4.5.3. No later than the Franchise Agreement execution date identified in the Development

Schedule (but no sooner than as permitted by law), you shall sign and return a signed copy of the Franchise Agreement and payment of the remaining balance of the applicable initial franchise fee due thereunder.

4.5.4. Franchisor shall approve and countersign the Franchise Agreement if:

(a) You are in compliance with this Agreement and all other agreements between you or your Affiliates and Franchisor including, without limitation, all Franchise Agreements signed under this Agreement. If this condition is not met, Franchisor may require you to cure any deficiencies before it approves and countersigns the Franchise Agreement.

(b) You have demonstrated to Franchisor, in Franchisor's discretion, your financial and other capacity to perform the obligations set forth in the proposed new Franchise Agreement.

(c) You, your Owners, each of your Affiliates, and their respective Owners, who then has a then-currently effective Franchise Agreement or Area Development Agreement with Franchisor, has signed a general release, in a form prescribed by Franchisor, of any and all claims that the party has, had, or claims to have against Franchisor and/or its Affiliates and their respective officers, directors, members, managers, shareholders, agents and employees, whether the claims are known or unknown, arising out of or relating to this Agreement, any Franchise Agreement, the relationship created by this Agreement or any Franchise Agreement, and the offer and sale of the FLOSS® franchise opportunity.

5. DEVELOPER'S OBLIGATIONS

5.1. Satisfaction of Development Schedule. You shall execute a Franchise Agreement for each Office contemplated under this Agreement in accordance with Section 4.1., and the Development Schedule, and shall establish and operate each Office in accordance with the terms and conditions of the respective Franchise Agreement.

5.2. Compliance with Laws. You shall fully comply with all federal, state and local laws, rules, and regulations when exercising your rights and fulfilling your obligations under this Agreement.

5.3. Developer May Not Exceed The Area Development Obligation. Unless Franchisor otherwise authorizes in writing, you may not construct, equip, open and operate more than the total number of FLOSS® Offices reflected in the Development Schedule.

6. CONFIDENTIALITY

6.1 Nondisclosure of Confidential Information. You shall maintain the confidentiality of all Confidential Information. You shall use Confidential Information only in connection with the development and operation of the Offices, and you shall divulge Confidential Information only to your employees, and only on a need to know basis. This obligation shall survive expiration or termination of this Agreement.

7. INDEPENDENT CONTRACTOR, INSURANCE AND INDEMNIFICATION

7.1 Independent Contractor. The parties acknowledge and agree that you are operating the business contemplated under this Agreement as an independent contractor. Nothing contained in this Agreement shall create or be construed to create a partnership, joint venture, or agency relationship between the parties. Neither party has any fiduciary obligations to the other, or will be liable for the debts or obligations of the other. Neither party has the right to bind the other, transact business in the other party's name or in any manner make any promises or representations on behalf of the other party, unless otherwise agreed in writing by the parties. You shall conspicuously identify yourself and the business contemplated under this Agreement in all dealings with your customers, contractors, suppliers, public officials, and others, as an independent franchisee of Franchisor, and shall place a conspicuous notice, in

the form and at such place as Franchisor prescribes, notifying the public of such independent ownership.

7.2. Insurance Obligations.

7.2.1. You shall maintain in full force and effect at all times during the Term of this Agreement, at your expense, an insurance policy or policies protecting you, Franchisor and its Affiliates, and their respective directors, officers, shareholders, partners, members, managers, agents, representatives, independent contractors, servants, and employees, against any demand or claim with respect to personal and bodily injury, death, or property damage, or any loss, liability, or expense arising or occurring upon or in connection with the operation of the business contemplated under this Agreement.

7.2.2. Such policy or policies shall: ***(a)*** be written by insurer(s) licensed and admitted to write coverage in the state in which the Franchised Business is located and with a rating of "A" or better as set forth in the most recent edition of Best's Key Rating Guide; ***(b)*** name Franchisor and its directors, officers, shareholders, partners, members, managers, agents, representatives, independent contractors, servants, and employee as additional insureds on a primary non-contributory basis; and ***(c)*** comply with Franchisor's written requirements at the time such policies are obtained, and provide at least the types and minimum amounts of coverage as described in Franchisor's written notice to you.

7.2.3. In connection with any and all insurance that you are required to maintain under Section 7.2, you and your insurers shall agree to waive their rights of subrogation against Franchisor, and you shall provide evidence of such waiver in accordance with this Section 7.2

7.2.4. Your obligation to obtain and maintain insurance shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 7.3 of this Agreement.

7.2.5. All public liability and property damage policies shall contain a provision that Franchisor and its Affiliates, although named as an additional insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to Franchisor, or its Affiliates, directors, officers, shareholders, partners, members, managers, agents, representatives, independent contractors, servants, or employees by reason of your negligence.

7.2.6. At least 10 days prior to the time you are first required to carry insurance, and thereafter at least 30 days prior to the expiration of any policy, you shall deliver to Franchisor a certificate of insurance evidencing your compliance with this Article 7. Each certificate of insurance shall expressly provide that no less than 30 days' prior written notice shall be given to Franchisor in the event of material alteration to or cancellation or non-renewal of the coverages evidenced by such certificates.

7.2.7. If you fail to procure or maintain the minimum insurance requirements, Franchisor or its designee has the right (but is not required) to procure such insurance on your behalf. Such right shall be in addition to and not in lieu of any other rights or remedies available to Franchisor. If this occurs, you shall reimburse Franchisor the cost of the premium and pay a reasonable administrative fee not to exceed $500, upon demand.

7.3. Indemnification. You shall indemnify and hold harmless to the fullest extent by law, Franchisor, its Affiliates and their respective directors, officers, managers, employees, shareholders, and agents, (collectively the "**Indemnitees**") from any and all "**losses and expenses**" (as hereinafter defined) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises directly or indirectly from, as a result of, or in connection with your operation of the business contemplated under this Agreement (an "**event**"), and regardless of whether same resulted from any strict or vicarious liability imposed by law on the Indemnitees; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Indemnitees (except to the extent that joint

liability is involved, in which event the indemnification provided in this Agreement shall extend to any finding of comparative negligence or contributory negligence attributable to you). For the purpose of this Section 7.3, the term "**losses and expenses**" shall be deemed to include compensatory, exemplary, or punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to Franchisor's reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. You shall give Franchisor prompt notice of any event of which you are aware, for which indemnification is required, and, at your expense and risk, Franchisor may elect to assume (but under no circumstance is obligated to undertake) the defense and/or settlement thereof, provided that Franchisor will seek your advice and counsel. Any assumption by Franchisor shall not modify your indemnification obligation. Franchisor may, in its sole and absolute discretion, take such actions as it deems necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions with respect thereof as may be, in Franchisor's sole and absolute discretion, necessary for the protection of the Indemnities or the System.

8. TRANSFER OF INTEREST

8.1. Transfer by Franchisor. Franchisor may transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations, and shall become solely responsible for all of Franchisor's obligations under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, you expressly affirm and agree that Franchisor and/or its Affiliates may sell their assets, the Proprietary Marks, Copyrighted Works or the System; may sell securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of Franchisor's name, the Marks (or any variation thereof), Copyrighted Works and System and/or the loss of association with or identification of FLOSS, LLC as the franchisor under this Agreement. You specifically waive any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing. You agree that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as FLOSS® Offices operating under the Proprietary Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be proximate to any FLOSS® Office developed under this Agreement).

8.2. Transfer by Individual Developer to Business Entity for Convenience. If you are an individual, you may transfer your interest in this Agreement to a Business Entity for convenience of operation if ***(a)*** the Business Entity is formed solely for purposes of continuing your development rights and obligations and maintains the exact same ownership structure as Developer, ***(b)*** you provide to Franchisor a copy of the Business Entity's formation and governing documents and a certificate of good standing from the jurisdiction under which the Business Entity was formed; and ***(c)*** you pay the transfer fee set forth on the Summary Pages.

8.3. Transfer Among Owners; Transfer of Non-Controlling Interest. If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, and may transfer up to a Non-Controlling Interest in the Business Entity to one or more third parties, if: ***(a)*** you have provided to Franchisor advance notice of the transfer, ***(b)*** Attachment C to this Agreement has been

amended to reflect the new ownership; ***(c)*** each new Owner has signed a Guaranty and Personal Undertaking in the form of Attachment D; and ***(d)*** you pay to Franchisor the applicable transfer fee set forth on the Summary Pages.

8.4. Transfer of Agreement; Transfer of Controlling Interest. All other transfers (including any sale or transfer of your interest in this Agreement, the sale or transfer of all or substantially all of or substantially all of the assets of any Office developed hereunder, or the sale of a Controlling Interest in you if you are a Business Entity) require Franchisor's prior written consent. Franchisor may withhold its consent to the transfer at its sole discretion and may condition its consent on satisfaction of any or all of the following:

8.4.1. Your written request for consent and delivery of a copy of the proposed transfer agreements, including sale terms, at least 30 days prior to the proposed transfer, and Franchisor has determined, in its sole and reasonable discretion, that the terms of the sale will not materially and adversely affect the post transfer viability of any Office in operation at the time of transfer.

8.4.2. The transferee has demonstrated to Franchisor's satisfaction that the transferee meets Franchisor's then-current educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate each Office; and has sufficient equity capital to operate each Office (which condition shall be presumed if the transferee's net worth is equal to or exceeds your net worth at the time of transfer, excluding the value of each Office);

8.4.3. All of your accrued monetary obligations and all other outstanding obligations to Franchisor, its Affiliates, and third-party suppliers shall be up to date, fully paid and satisfied, and you must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates and your suppliers;

8.4.4. You or the transferee shall have agreed to refurbish each Office premises identified by Franchisor so that it meets Franchisor's image requirements for new FLOSS® Offices;

8.4.5. You and each Owner has executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, managers, shareholders, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release will not be inconsistent with any state law regulating franchising;

8.4.6. Payment of the applicable transfer fee in the amount set forth in the Summary Pages;

8.4.7. The transferee has executed Franchisor's then-current form of area development agreement, the terms of which may be materially different than the terms of this Agreement and may include, among other things, a different Development Schedule obligation. The term of such area development agreement shall be the remaining term of this Agreement at the time of transfer;

8.4.8. If the transferee is a Business Entity, then the transferee's Owners each shall sign Franchisor's standard form of Guaranty and Personal Undertaking;

8.4.9. The transferee must comply with Franchisor's then-current initial training requirements for the operation of each then-existing Office; and

8.4.10. If Franchisor introduced the buyer to you, you have paid all fees due Franchisor under its then-current franchise resale policy or program.

8.5. Transfer of Franchise Agreements. Notwithstanding Section 8.4 of this Agreement, you may, with Franchisor's prior written consent, execute and contemporaneously assign your right to enter into a Franchise Agreement pursuant to this Agreement to a Business Entity under common control with you if such Business entity executes and complies with the terms and conditions of the Franchise Agreement.

8.6. Transfers Void. Any purported transfer, by operation of law or otherwise, made without

Franchisor's prior written consent will be considered null and void and will be considered a material breach of this Agreement.

8.7. Security Interest. You may grant a security interest in this Agreement or the franchise represented by this Agreement only to the limited extent permitted by Section 9-408 of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in this Agreement or the franchise without Franchisor's written consent.

8.8. Private or Public Offerings. If you are a Business Entity and you intend to issue equity interests pursuant to a private or public offering, you shall first obtain Franchisor's written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of your securities, and Franchisor's review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all of the conditions set forth in Section 8.4 and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall pay to Franchisor a retainer in an amount determined by Franchisor, which Franchisor shall use to reimburse itself for the reasonable costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

8.9. Right of First Refusal. If you receive a bona fide offer to purchase your interest in this Agreement or all or substantially all of the assets of the Office(s), or if any Owner receives a bona fide offer to purchase his or her equity interests in you, and you or such Owner wishes to accept such offer, you or the Owner must deliver to Franchisor written notification of the offer and, except as otherwise provided herein, Franchisor has the option, exercisable within 30 days after receipt of such written notification, to purchase the seller's interest on the same terms and conditions offered by the third party. If the bona fide offer provides for the exchange of assets other than cash or cash equivalents, the bona fide offer shall include the fair market value of the assets and you shall submit with the notice an appraisal prepared by a qualified independent third party evidencing the fair market value of such assets as of the date of the offer. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. If Franchisor elects to purchase the seller's interest, closing on such purchase must occur by the later of: ***(a)*** the closing date specified in the third-party offer; or ***(b)*** within 60 days from the date of notice to the seller of Franchisor's election to purchase. Franchisor's failure to exercise the option described in this Section 8.9. shall not constitute a waiver of any of the transfer conditions set forth in this Article 8.

8.10. Transfer Upon Death or Incapacitation. Upon the death or permanent incapacity (mental or physical) of any Owner with an interest in this Agreement, in you, or in all or substantially all of the assets of the Franchised Business, the executor, administrator, or personal representative of such Owner shall transfer such interest to a third party approved by Franchisor within six months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as an inter vivos transfer, except that the transfer fee shall be waived. In the case of transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Section 8.10, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within six months, which disposition shall be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within such period, Franchisor may, at its option, terminate this Agreement, pursuant to Section 9.5.

8.11. Non-Waiver of Claims. Franchisor's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, and it will not be deemed a waiver of Franchisor's right to demand strict compliance with any of the terms of this Agreement, or any other agreement to which Franchisor's and the transferee are parties, by the transferee.

9. DEFAULT AND TERMINATION

9.1. Termination In the Event of Bankruptcy or Insolvency. You shall be deemed to be in default under this Agreement, and all rights granted to you in this Agreement shall terminate immediately upon written notice to you, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against you and you do not oppose it; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver for you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law is instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against any Franchised Location premises or assets or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable.

9.2. Termination with Notice and Without Opportunity to Cure. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of notice without opportunity to cure if: ***(a)*** you fail to meet the Development Schedule; ***(b)*** you or any Owner is convicted of, or pleads no contest to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System; ***(c)*** there is any transfer or attempted transfer in violation of Article 8 of this Agreement; ***(d)*** you or any Owner fails to comply with the confidentiality or non-competition covenants in Article 6 and Article 10 of this Agreement; or ***(e)*** you or any Owner has made any material misrepresentations in connection with your developer application; or ***(f)*** Franchisor delivers to you three or more written notices of default pursuant to this Article 9 within any rolling 12-month period, whether or not the defaults described in such notices ultimately are cured.

9.3. Termination with 10-Day Cure Period. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure the following defaults within 10 days after delivery of written notice: ***(a)*** failure to obtain or maintain required insurance coverage; ***(b)*** failure to pay any amounts due to Franchisor; ***(c)*** failure to pay any amounts due to your trade creditors (unless such amount is subject to a bona fide dispute); or ***(d)*** failure to pay any amounts for which Franchisor has advanced funds for or on your behalf, or upon which Franchisor is acting as guarantor of your obligations.

9.4. Termination with 30-Day Cure Period. Except as otherwise provided in this Article 9, Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure any curable default within 30 days after delivery of written notice.

9.5. Termination Related to Death or Permanent Incapacity. Franchisor has the right to terminate this Agreement if an approved transfer as required by Section 8.10 is not effected within the designated time frame following a death or permanent incapacity (mental or physical).

9.6. Cross-Default. Any default under any agreement between you and Franchisor or its Affiliates, which you fail to cure within any applicable cure period, shall be considered a default under this Agreement and shall provide an independent basis for termination of this Agreement.

9.7. Additional Remedies. If you are in Default of this Agreement, Franchisor may, in its sole

discretion, elect to reduce the number of Offices which you may establish pursuant to the Development Schedule. If Franchisor elects to exercise this remedy as set forth above, you agree to continue to develop Offices in accordance with your rights and obligations under this Agreement, as modified. Franchisor's exercise of its remedy under this Section 9.7 shall not constitute a waiver by Franchisor to exercise Franchisor's option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

10. COVENANTS

10.1. Non-Competition During Term of Agreement. You and each Owner acknowledge that you and each Owner will receive valuable specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques and trade secrets of Franchisor and the System. You and each Owner covenant and agree that during the Term of this Agreement, except as otherwise approved in writing by Franchisor, you and, if applicable, such Owner, shall not, either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, or legal entity:

10.1.1. Divert or attempt to divert any present or prospective customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System.

10.1.2. Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any business that: (a) offers dental-related products or services as primary items; (b) offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System; or (c) offers or has granted franchises or licenses or establishes or has established joint ventures for the development and/or operation of businesses of the type described in the foregoing clauses (a) or (b). This covenant applies at any location within the United States, its territories or commonwealths, and worldwide (to the full extent permitted by applicable law).

10.2. Non-Competition After Expiration or Termination of Agreement. Commencing upon the later of: ***(i)*** a transfer permitted under Article 8 of this Agreement, expiration of this Agreement, or termination of this Agreement (regardless of the cause for termination) or ***(ii)*** a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of this Section 10.2., and continuing for an uninterrupted period of two years thereafter, you shall not either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, persons, or legal entity, own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with any business (other than a FLOSS franchise) that: ***(a)*** offers dental-related products or services as primary items; ***(b)*** offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System; or ***(c)*** offers or has granted franchises or licenses or establishes or has established joint ventures for the development and/or operation of businesses of the type described in the foregoing clauses (a) or (b)., and ***(y)*** is, or is intended to be, located at the location of the former Franchised Business; or ***(z)*** within a 30-mile radius of the Office or any other Office (franchised, licensed, or company-owned) operating under the System and Proprietary Marks in existence or under development at the time of such expiration, termination or transfer. If any Owner ceases to be an Owner of the Franchisee for any reason during the franchise term, the foregoing covenant shall apply to the departing Owner for a two-year period beginning on the date such person ceases to meet the definition of an Owner. The obligations described in this Section 10.2 shall be tolled during any period of noncompliance.

10.3. Additional Provisions. The parties acknowledge and agree that Franchisor has the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 10.1 and 10.2, or any portion thereof, without your consent or the consent of any Owner, effective immediately upon delivery of written notice

to the affected party; and you and each Owner agree that such person shall comply forthwith with any covenant as so modified, which shall be fully enforceable. You and each Owner expressly agree that the existence of any claims you may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 10. You agree to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Article 10.

10.4. Breach of Covenants Causes Irreparable Injury. You acknowledge that your violation of any covenant of this Article 10 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and you consent to the issuance of, and agree to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

10.5. Exception for Publicly Held Companies. The foregoing restrictions shall not apply to your ownership or any Owner's ownership of less than a 5% beneficial interest in the outstanding equity securities of any company registered under the Securities Act of 1933 or the Securities Exchange Act of 1934.

11. REPRESENTATIONS

11.1. Representations of Franchisor. Franchisor represents and warrants that ***(a)*** Franchisor is duly organized and validly existing under the law of the state of its formation; ***(b)*** Franchisor is duly qualified and authorized to do business in each jurisdiction in which its business activities or the nature of the properties it owns requires such qualification; and (c) the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within Franchisor's corporate power and have been duly authorized.

11.2. Representations of Developer.

11.2.1. You represent and warrant that the information set forth in Attachment C, incorporated by reference hereto, is accurate and complete in all material respects. You shall notify Franchisor in writing within 10 days of any change in the information set forth in Attachment C. You further represent to Franchisor that ***(a)*** you are duly organized and validly existing under the law of the state of your formation; ***(b)*** you are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification; ***(c)*** your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the development and operation of the Franchised Business. You warrant and represent that neither you nor any of your Affiliates or Owners own, operate or have any financial or beneficial interest in any business that is the same as or similar to a FLOSS® Office; and ***(d)*** The execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under its written partnership or limited liability company agreement and have been duly authorized.

11.2.2. You acknowledge that you have conducted an independent investigation of the proposed franchise and development opportunity, and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent on your ability as an independent business person.

11.2.3. You further acknowledge that Franchisor makes no representation: (i) that your Development Area contains a sufficient number of acceptable locations to meet the number of Offices to be developed under the Development Schedule; or (ii) that your Development Area is sufficient to economically support the number of Offices to be developed under the Development Schedule. You acknowledge that you have performed all related and necessary due diligence before your execution of this Agreement and that, accordingly, you assume the risk of identifying a sufficient number of acceptable

locations within the Development Area, and the economic risk of developing the agreed-upon number of Offices within the Development Area.

11.2.4. Except for representations contained in Franchisor's franchise disclosure document provided to you in conjunction with this franchise offering, you represent that neither Franchisor nor its agents or representations have made any representations, and you have not relied on representations made by Franchisor or its agents or representatives, concerning actual or potential gross sales, expenses or profit of a FLOSS® Office.

11.2.5. You acknowledge that you have received a complete copy of Franchisor's franchise disclosure document at least 14 calendar days before you signed this Agreement or paid any consideration to Franchisor for your franchise rights.

11.2.6. You acknowledge that you have read and that you understand the terms of this Agreement and its attachments, and that you have had ample time and opportunity to consult with an attorney or business advisor of your choice about the potential risks and benefits of entering into this Agreement.

11.2.7. You represent that neither your property nor any interest in your property, nor the property of any of your Owners, directors, officers, shareholders, partners, members, managers, agents, or employees or their respective interests therein, have been blocked pursuant to Executive Order 13224 of September 23, 2001, pertaining to persons who commit, threaten to commit, or support terrorism ("**Blocked Persons**"). You represent and warrant to Franchisor that you will not accept money from or employ any Blocked Person.

12. NOTICES

12.1. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail; by private overnight delivery; or by or by facsimile or other electronic system. Service shall be deemed conclusively made ***(a)*** at the time of service, if personally served; ***(b)*** 24 hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; ***(c)*** upon the earlier of actual receipt or three calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; ***(d)*** 24 hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; and ***(e)*** at the time of transmission by telecopier, if such transmission occurs prior to 5:00 p.m. on a Business Day and a copy of such notice is mailed within 24 hours after the transmission. Notices and demands shall be given to the respective parties at the addresses set forth on the Summary Pages, unless and until a different address has been designated by written notice to the other party. Either party may change its address for the purpose of receiving notices, demands and other communications as in this Agreement by providing a written notice given in the manner aforesaid to the other party.

13. CONSTRUCTION

13.1. Entire Agreement. This Agreement and its Attachments represent the entire fully integrated agreement between the parties and supersede all other negotiations, agreements, representations, and covenants, oral or written. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that Franchisor made in the franchise disclosure document (including its exhibits and amendments) that Franchisor delivered to you in connection with this franchise offering. Except for those changes permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to in writing by the parties and executed by their authorized officers or agents.

13.2. No Waiver. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless the same is made in writing and duly executed by the

party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid.

13.3. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

13.4. Survival of Terms. Any provision or covenant of this Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement shall survive such expiration or termination.

13.5. Definitions and Captions. Unless otherwise defined in this body of this Agreement, capitalized terms have the meaning ascribed to them in Attachment A ("**Glossary of Additional Terms**"). All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

13.6. Persons Bound. This Agreement shall be binding on the parties and their respective successors and assigns. As applicable, each Owner shall execute the Guaranty and Personal Undertaking attached as Attachment D. Failure or refusal to do so shall constitute a breach of this Agreement. You and each Owner shall be joint and severally liable for each person's obligations hereunder and under the applicable Guaranty and Personal Undertaking.

13.7. Rules of Construction. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement shall be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

13.8. Timing. Time is of the essence with respect to all provisions in this Agreement. Notwithstanding the foregoing, if performance of either party is delayed on account of a Force Majeure, the applicable deadline for performance shall be extended for a period commensurate with the Force Majeure, but not to exceed 12 months.

14. APPLICABLE LAW; DISPUTE RESOLUTION

14.1. Choice of Law. This Agreement and all claims arising out of or related to this Agreement or the parties' relationship created hereby shall be construed under and governed by the laws of the State of Texas (without giving effect to any conflict of laws).

14.2. Mediation.

14.2.1. The parties acknowledge that during the Term and any extensions of this Agreement certain disputes may arise that the parties are unable to resolve, but that may be resolvable through mediation. To facilitate such resolution, Franchisor, you, and each Owner agree to submit any claim, controversy or dispute between Franchisor or its Affiliates (and Franchisor's and its Affiliate's respective owners, officers, directors, managers, agents, representatives and/or employees) and you or your Affiliates (and your Owners, agents, representatives and/or employees) arising out of or related to ***(a)*** this Agreement or any other agreement between Franchisor and you, ***(b)*** Franchisor's relationship with you, or ***(c)*** the validity of this Agreement or any other agreement between Franchisor and you, to mediation before bringing such claim, controversy or dispute in a court or before any other tribunal.

14.2.2. The mediation shall be conducted by a mediator agreed upon by Franchisor and you and, failing such agreement within not more than 15 days after either party has notified the other of its desire to seek mediation, by the American Arbitration Association or any successor organization ("AAA") in

accordance with its rules governing mediation. Mediation shall be held at the offices of the AAA in the city in which Franchisor maintains its principal place of business at the time mediation is initiated. The costs and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys' fees incurred by either party), shall be borne by the parties equally.

14.2.3. If the parties are unable to resolve the claim, controversy or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may bring a legal proceeding pursuant to Section 14.3. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

14.2.4. Notwithstanding the foregoing provisions of this Section 14.2, the parties' agreement to mediate shall not apply to controversies, disputes or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, the Proprietary Marks or Franchisor's Confidential Information. Moreover, regardless of this mediation agreement, Franchisor and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction.

14.3. Venue. With respect to any controversies, disputes or claims which are not finally resolved through mediation as provided in Section 14.2, the parties agree that any action brought by either party against the other in any court, whether federal or state, must be brought and maintained solely and exclusively and within the state and federal judicial district court in which Franchisor maintains its principal place of business at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Nothing in this Agreement contained shall bar Franchisor's right to seek injunctive relief from any court of competent jurisdiction; and you agree to pay all costs and reasonable attorneys' fees incurred by Franchisor in obtaining such relief.

14.4. Nonexclusivity of Remedy. No right or remedy conferred upon or reserved to Franchisor or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

14.5. WAIVER OF JURY TRIAL. FRANCHISOR AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

14.6. WAIVER OF PUNITIVE DAMAGES. THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

14.7. Attorneys' Fees. If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

14.8. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates noted below, but effective for all purposes as of the Effective Date.

FRANCHISOR **DEVELOPER**

FLOSS, LLC

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

FLOSS, LLC
AREA DEVELOPMENT AGREEMENT

ATTACHMENT A
GLOSSARY OF ADDITIONAL TERMS

"**Affiliate**" means an affiliate of a named person identified as any person or entity that is controlled by, controlling or under common control with such named person.

"**Business Entity**" means any person with the power to enter into contracts, other than a natural person. The term includes a corporation, limited liability company, limited partnership, and trust.

"**Closed Market**" means any facility serving a captive market, including hotels, resorts, Shopping malls (defined as enclosed or open retail centers with gross leasable area in excess of 350,000 square feet), airports, public facilities, college and school campuses, military bases, and any other mass gathering events or locations, and facilities of any kind for which dental and other related services rights are, or may reasonably be anticipated to be, contracted to a third party or parties

"**Confidential Information**" means all trade secrets, and other elements of the System; all customer information; all information contained in the Manuals; Franchisor's standards and specifications for all services and products offered at FLOSS® Offices; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of their operation under the terms of the Area Development Agreement, and all other information that Franchisor designates.

"Copyrighted Works" means works of authorship which are owned by Franchisor and fixed in a tangible medium of expression including, without limitation, the content of the Manual, the design elements of the Proprietary Marks, Franchisor's product packaging, and advertising and promotional materials, and the content and design of Franchisor's Website and advertising and promotional materials.

"**Development Period**" means each of the time periods indicated on Attachment B during which you shall have the right and obligation to construct, equip, open and thereafter continue to operate FLOSS® Offices.

"**Franchise Agreement**" means the form of agreement prescribed by Franchisor and used to grant to you the right to own and operate a single Office, including all attachments, exhibits, riders, guarantees or other related instruments, all as amended from time to time.

"**Franchised Business**" means an Office operating under the FLOSS® trademark and developed pursuant to this Agreement.

"**Force Majeure**" means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which you could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with you by any lender, landlord, or other person shall be an event of Force Majeure under this Agreement, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. Your financial inability to perform or your insolvency shall not be an event of Force Majeure under this Agreement.

"**Owner**" means each individual or entity holding a direct or indirect beneficial ownership in the franchisee. It includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the trust. It is the

intent of the parties that agreements and actions (or forbearances) to be executed or undertaken by Owners under the Area Development Agreement be executed or undertaken by individuals. Therefore, if an Owner is a Business Entity, each Owner in the Business Entity's chain of ownership will execute the agreements or undertake (or forbear) the actions required under the Area Development Agreement.

FLOSS, LLC
AREA DEVELOPMENT AGREEMENT

ATTACHMENT B
OFFICE DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE

The "Development Area" is described as follows:

_____
_____
_____
_____
_____

The "Development Schedule" is as follows:

	Development Period Ending	Franchise Agreement Execution Date	Office Opening Date	Number of Offices to be Opened During Development Period	Cumulative Number of Offices to be in Operation at End of Development Period
1					
2					
3					
4					
5					

IN WITNESS WHEREOF, the parties hereof have executed this Attachment B as of the dates shown below but effective for all purposes as of the Effective Date.

FRANCHISOR
FLOSS, LLC

By: _____
Name: _____
Title: _____

Date: _____

DEVELOPER

_____

By: _____
Name: _____
Title: _____

Date: _____

FLOSS, LLC
AREA DEVELOPMENT AGREEMENT

ATTACHMENT C
ENTITY INFORMATION

If the developer is an entity, you represent and warrant that the following information is accurate and complete in all material respects as of _____.

(1) Developer is a _____, formed under the laws of the state of _____.

(2) You shall provide to Franchisor concurrently with the execution hereof true and accurate copies of the Developer's charter documents and governing documents including Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution hereof, and any amendments to the foregoing.

(3) You promptly shall provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in the franchisee entity.

(4) The name and address of each of Owner:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(5) The address where the Developer's Financial Records, and other records (e.g., Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, etc.) are maintained is: _____.

FRANCHISOR
FLOSS, LLC

By: _____
Name: _____
Title: _____

Date: _____

DEVELOPER
_____

By: _____
Name: _____
Title: _____

Date: _____

FLOSS, LLC
AREA DEVELOPMENT AGREEMENT

ATTACHMENT D
GUARANTY AND PERSONAL UNDERTAKING

1. I have read the Area Development Agreement between FLOSS, LLC ("**Franchisor**") and _____ _____ (the "**Developer**").

2. I own a direct or indirect beneficial interest in the Developer, and would be considered an "**Owner**" within the definition contained in Area Development Agreement.

3. I understand that, were it not for this Guaranty and Personal Undertaking ("**Guaranty**"), Franchisor would not have agreed to enter into the Area Development Agreement with the Developer.

4. I will comply with all of the provisions contained in Article 6 of the Area Development Agreement concerning the use of the Confidential Information. I will maintain the confidentiality of all Confidential Information disclosed to me. I agree to use the Confidential Information only for the purposes authorized under the Area Development Agreement. I further agree not to disclose any of the Confidential Information, except ***(a)*** to the Developer's employees on a need to know basis, ***(b)*** to the Developer's and my legal and tax professionals to the extent necessary for me to meet my legal obligations, and ***(c)*** as otherwise may be required by law.

5. I will comply with all of the provisions contained in Article 8 of the Area Development Agreement concerning the assignment of my Area Development Agreement.

6. While I am an "Owner" of the Developer and, for a two-year period after I cease to be an Owner (or two years after termination or expiration of the Area Development Agreement, whichever occurs first), I will not:

(a) Divert or attempt to divert any present or prospective customer of the FLOSS® Office to any competitor or do anything to harm the goodwill associated with the Marks and the System; or

(b) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any business that engaged in Office services, other than a FLOSS® Office operated pursuant to a then-currently effective franchise agreement. This restriction shall apply, while I am an Owner, to any location within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks. It will apply for two years after I cease to be an Owner (or two years after termination or expiration of the Area Development Agreement, whichever occurs first) to any location that is, or is intended to be, located in the Area Development Territory. This two-year restrictive period will be tolled during any period for which I am not compliant with this covenant.

7. I agree that the provisions contained in Article 14 of the Area Development Agreement will apply to any dispute arising out of or relating to this Guaranty. If Franchisor brings any legal action to enforce its rights under this Guaranty, I will reimburse Franchisor its reasonable attorneys' fees and costs.

8. I hereby guarantee the prompt and full payment of all amounts owed by the Developer under the Area Development Agreement.

9. I will pay all amounts due under this Guaranty within 14 days after receiving notice from Franchisor that the Developer has failed to make the required payment. I understand and agree that

Franchisor need not exhaust its remedies against the Developer before seeking recovery from me under this Guaranty.

10. No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Guaranty. If the Developer has pledged other security or if one or more other persons have personally guaranteed performance of the Developer's obligations, I agree that Franchisor's release of such security will not affect my liability under this Guaranty.

11. I hereby waive (a) all rights described in California Civil Code Section 2856(a)(1)-(2), inclusive, which includes, without limitation, any rights and defenses which are or may become available to the undersigned by reason of California Civil Code Sections 2787 to 2855, inclusive; and (b) California Civil Code Sections 2899 and 3433.

12. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE AREA DEVELOPMENT AGREEMENT AND/OR THE PERFORMANCE OF ANY PARTY UNDER THE AREA DEVELOPMENT AGREEMENT**.

13. I understand that Franchisor's rights under this Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under applicable law.

14. I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand; one Business Day after electronically confirmed transmission by facsimile or other electronic system; one Business Day after delivery by Express Mail or other recognized, reputable overnight courier; or three Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below. I may change this address only by delivering to Franchisor written notice of the change.

Executed on the date set forth below:

GUARANTOR

Dated: _____

_____

Name: _____

Address for notices: _____

_____

Fax: _____

FLOSS, LLC
AREA DEVELOPMENT AGREEMENT

ATTACHMENT E
FORM OF FRANCHISE AGREEMENT

[REFER TO EXHIBIT A OF THIS DISCLOSURE DOCUMENT]

EXHIBIT C

GENERAL RELEASE

(SAMPLE FORM ONLY)

GENERAL RELEASE

The undersigned and my heirs, administrators, executors, ancestors, and assigns, for good and valuable consideration, the receipt of which is hereby acknowledged, hereby remise, release, and forever discharge FLOSS, LLC ("**Franchisor**"), a Texas corporation, with its principal business offices located at 15921 City Walk, Sugar Land, Texas 77479 and its Affiliates, and their respective owners, officers, directors, employees, and agents (collectively, the "**Franchisor Released Parties**") from any and all claims, whether at law or in equity, and all contracts, controversies, claims, and demands whatsoever, at law or in equity, that I ever had, now have, or that my respective heirs, administrators, ancestors, executors, and/or assigns may have against the Franchisor Released Parties including, without limitation, all claims arising out of or related to that certain Franchise Agreement between Franchisor and _____ dated _____ _____, 20_____, and the offer and sale of FLOSS® franchise opportunity.

I acknowledge that this general release extends to claims which I do not know or suspect to exist in my favor at the time of executing this Release Agreement, which if were known to me may have materially affected my decision to enter into this Release Agreement. I understand that the facts in respect of which this Release Agreement is given may hereafter turn out to be other than or different from the facts in that connection known or believed to be true. I expressly assume the risk of the facts turning out to be so different and agree that this Release Agreement shall be in all respects effective and not subject to termination or rescission by any such difference in facts. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

IN WITNESS WHEREOF, the parties hereto have executed this Release Agreement as of the date set forth below.

Signature:_____

Name:_____

Date:_____

[This General Release will be modified as necessary for consistency with any state law regulating franchising.]

EXHIBIT D

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EXHIBIT E

FINANCIAL STATEMENTS

Floss, LLC

STATEMENT OF ASSETS, LIABILITIES AND EQUITY– INCOME TAX BASIS

Substantially all disclosures ordinarily included in financial statements prepared on the tax–basis of accounting are not included.

As of June 30, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	**$17,821.68**
Other Current Assets	**$15,293.77**
Total Current Assets	**$33,115.45**
TOTAL ASSETS	**$33,115.45**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	**$0.00**
Total Liabilities	**$0.00**
Equity	
Opening Balance Equity	100.00
Owner's Investment	4,376.64
Partner's Capital (Michael Tran)	6,752.21
Partner's Capital (Minesh Patel)	6,752.21
Retained Earnings	-2,994.37
Net Income	18,128.76
Total Equity	**$33,115.45**
TOTAL LIABILITIES AND EQUITY	**$33,115.45**

Note
**For management use only. No assurances provided.

Floss, LLC

STATEMENT OF REVENUE & EXPENSES – INCOME TAX BASIS

Substantially all disclosures ordinarily included in financial statements prepared on the tax–basis of accounting are not included.

For the 6 Months Ending June 31, 2021

	TOTAL
Income	**$21,843.76**
GROSS PROFIT	**$21,843.76**
Expenses	
Bank Charges & Fees	40.00
Contractors	2,000.00
Legal & Professional Services	1,675.00
Total Expenses	**$3,715.00**
NET OPERATING INCOME	**$18,128.76**
NET INCOME	**$18,128.76**

Note
**For management use only. No assurances provided.

Floss LLC

12/31/2020

Independent Auditor's Report
And
Financial Statements

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Metwally CPA PLLC

CERTIFIED PUBLIC ACCOUNTANT

6245 RUFE SNOW DR Ste 280 PMB 34 Watauga TX 76148

Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report
March 12, 2021

Owners/Management
Floss LLC
15921 City Walk
Sugar Land TX 77479

Report on the Financial Statements

We have audited the accompanying financial statements of Floss LLC (the Company), which comprise the balance sheet as of December 31, 2020, and the related statement of income, retained earnings 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.

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 Floss LLC as of December 31, 2020, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has a net loss of $2,995. This raises substantial doubt about its ability to continue as a going concern. Management's plan in this regard is also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Restrictions on Use

This report is intended solely for the information and use of the Franchise Law Solutions' Franchise Disclosure Document, and Floss LLC's management and should not be used by anyone other than these specified parties. It may, however, be a matter of public record and, as such, its distribution may not be limited.

Mohamed Metwally, CPA
Watauga TX
03/12/2021

FLOSS LLC
Statement of Assets Liabilities and Stockholders' Equity
As of December 31st, 2020

Assets	
Cash	$10,510.05
Total Current Assets	**$10,510.05**
Total Assets	**$10,510.05**
Liabilities and Equity	
Current Liabilities	$0
Total Liabilities	**$0**
Equity	
Partner's Capital (Michael Tran)	$6,752.21
Partner's Capital (Minesh Patel)	$6,752.21
Retained Earnings	
Net Income	($2,994.37)
Total Equity	**$10,510.05**
Total Liabilities and Equity	**$10,510.05**

Cash Basis

FLOSS LLC
Statement of Revenues and Expenses
12 Months Ended December 31st, 2020

Income	
Franchise Fees	$17,500
Interest Income	$.05
Total Income	**$17,500.05**
Expenses	
Bank Charges & Fees	$40
Contractors	$7,000
Legal & Professional Services	$13,454.42
Total Expenses	**$20,494.42**
Net Operation Income	**($2,994.37)**
Net Income	**($2,994.37)**

Cash Basis

Floss LLC

Notes to Financial Statements
December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Floss LLC is a Limited Liability Company formed in the state of Texas on January 30, 2020. The Company's fiscal year end is December 31. These financial statements cover one day of activity from the Company's inception on January 30, 2020.

Basis of Accounting

Assets, liabilities, revenues, and expenses are recognized on the Cash basis of accounting.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash equivalents include Partnership bank accounts and cash in transit for bank deposit.

Federal Income Taxes

Federal income taxes are not payable by, or provided for, the Partnership. Partners are taxed individually on their share of Partnership earnings. Partnership's net revenue is allocated on a pro-rata basis in accordance with Partnership interests to the partners after allowing for partner guaranteed payments.

Debt

The Partnership accounts for debt as current if the debt is due within one year of the balance sheet date or is cancelable or callable. The Partnership accounts for debt as noncurrent if the obligation does not expire or is due within one year.

Revenue Recognition

The Partnership's revenue is generated substantially from selling franchise Licensing fees. The revenue is recognized once the cash is received.

2. Revenue

On 12/11/2020 Floss LLC entered in a Franchise agreement with total Initial Franchise Fee of $35,000. The company received half of the Initial Franchise Fee in the amount of $17,500 and the remaining will be payable once the Franchisee signs his dental office lease which is expected to be in March 2021. The Franchisee is due to pay a 5% monthly royalty for the next 10 years with renewal fees of $10,000 a year. The Initial Franchise Fee is fully earned by Franchisor when paid and is not refundable according to the Franchise Agreement executed on 12/11/2020.

3. SUBSEQUENT EVENTS AND GOING CONCERN

As shown in the accompanying financial statements, the Company and has a net loss of $2,995 for the period from 01/01/2020 to 12/31/2020. The future of the Company is dependent upon its ability to obtain financing and upon future profitable operations. The financial statements do not include any adjustments related to the recoverability and classification of recorded asset, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence. Floss LLC has, no liabilities, commitments, or contingencies. The company's partners have guaranteed the ongoing operation of the company for the next twelve months. The company has approximately $10,500 in cash as of 12/31/2020.

Management has evaluated subsequent events through the date of the Independent Auditor's Report, and there are no items that require disclosure to fairly present the financial position of the Management.

EXHIBIT F

LIST OF FRANCHISEE AND FRANCHISOR-OWNED OUTLETS

LIST OF FRANCHISEES
As of December 31, 2020

Franchisees with Outlets Open:

Owner	Street Address	City	ST	Zip	Phone
NONE					

Franchisees with Franchise Agreements Signed but Outlet Not Opened:

Owner	Street Address	City	ST	Zip	Phone
Dr. Cheolwon "Jimmy" Chung	7002 Four Sixes Ranch Rd.	Odessa	TX	79765	(832) 638-9428

LIST OF CERTAIN FORMER FRANCHISEES
As of December 31, 2020

The following are franchisees who have been terminated, canceled, not renewed, or have otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the date of issuance of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

NONE.

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

LIST OF AFFILIATE-OWNED OUTLETS
As of December 31, 2020

Affiliate	Street Address	City	ST	Zip	Phone
FLOSS Midtown MICHAEL TRAN CITY CENTRE, PC	2707 Milam St. Ste C	Houston	TX	77006	346-214-4807
FLOSS Magnolia FM HOU LLC	6318 FM 1488 #120	Magnolia	TX	77354	832-558-2905
FLOSS Sugarland MINESH B. PATEL, PLLC	15921 City Walk	Sugar Land	TX	77479	281-201-8295
FLOSS West Oaks FLOSS WEST OAKS, LLC	14550 Westheimer Rd #130	Houston	TX	77077	832-844-2266

EXHIBIT G

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	REGISTERED AGENTS	STATE ADMINISTRATORS
CALIFORNIA	California Commissioner of Financial Protection and Innovation: Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505 Sacramento: 2101 Arena Boulevard Sacramento, California 95834-2036 (916) 445-7205 San Diego: 1350 Front Street San Diego, CA 92101-3697 (619) 525-4233 San Francisco: One Sansome Street, Suite 600 San Francisco, CA 94105-2980 Toll-Free Number: 1-866-275-2677	California Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105 (213) 576-7505
CONNECTICUT	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232
FLORIDA	[Not Applicable]	Senior Consumer Complaint Analyst Department of Agriculture and Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, Florida 32399-0800 (850) 922-2770
HAWAII	Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 586-2722	Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 586-2722
ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Chief, Franchise Bureau Illinois Attorney General 500 South Second Street Springfield, IL 62706 (312) 814-3892

STATE	REGISTERED AGENTS	STATE ADMINISTRATORS
INDIANA	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204 (317) 232-6681	Securities Commissioner Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
IOWA	[Not Applicable]	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, Iowa 50319-0066 (515) 281-4441
MARYLAND	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 525 W. Ottowa 670 Law Building Lansing, MI 48913 (517) 373-7117	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117
MINNESOTA	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Deputy Commissioner Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600
NEBRASKA	[Not Applicable]	Staff Attorney Department of Banking and Finance 1200 N Street Suite 311 P.O. Box 95006 Lincoln, Nebraska 68509 (402) 471-3445
NEW YORK	New York Department of State 99 Washington Avenue, 6th Floor Albany, NY 12231	NYS Department of Law 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8285
NORTH DAKOTA	North Dakota Securities Commissioner Fifth Floor 500 East Boulevard Bismarck, ND 58505	Franchise Examiner Office of Securities Commissioner 600 East Boulevard, 5th Floor Bismarck, ND 58505 (701) 328-4712

STATE	REGISTERED AGENTS	STATE ADMINISTRATORS
RHODE ISLAND	Director of Rhode Island Department of Franchise Regulation Division of Securities Suite 232 Providence, RI 02903 (401) 222-3048	Associate Director and Superintendent of Securities Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563
TEXAS	Damien A. Morales 15921 City Walk, Sugar Land, Texas 77479	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
UTAH	Ryan C. Combe Registered Agent 2181 Combe Road Ogden, Utah 84403	Division of Consumer Protection Utah Department of Commerce 160 East Three Hundred South P.O. Box 45804 Salt Lake City, Utah 84145-0804 (801) 530-6601
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051
WASHINGTON	Director of Department of Financial Institutions Securities Division 150 Israel Rd. SW Tumwater, WA 98501 (360) 902-8760	Administrator Dept. of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760
WISCONSIN	Wisconsin Commissioner of Securities P.O. Box 1768 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555

EXHIBIT H

SBA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum is for use only with franchisees that are getting Small Business Administration (SBA) lender financing. This Addendum is subject to change based on requirements that the SBA may impose.

[SEE FOLLOWING PAGES.]

ADDENDUM TO FRANCHISE[1] AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20___, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as ''franchise'' relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 -3733.

Authorized Representative of FRANCHISOR:

By: _____

Print Name: _____

Title:_____

Authorized Representative of FRANCHISEE:

By: _____

Print Name: _____
Title:_____
Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements

EXHIBIT I

State Effective Dates

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

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

State	Effective Date
California	pending
Illinois	pending
Maryland	pending
Michigan	pending
New York	pending
Virginia	pending
Washington	pending
Wisconsin	pending

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

EXHIBIT J~~I~~

RECEIPTS

Receipt

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

If FLOSS, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

Applicable state laws in (a) Michigan requires us to provide you the disclosure document at least 10 business 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 and (b) New York and Rhode Island require us to provide you the disclosure document at the earlier of the first personal meeting or 10 business 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 FLOSS, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Exhibit F to this disclosure document).

The franchisor is FLOSS, LLC, 15921 City Walk, Sugar Land, Texas 77479. Its telephone number is 903-815-0224

Issuance Date: March 25, 2021 ~~(as amended July 21, 2021)~~

The franchise seller for this offering is:

Name	Principal Business Address	Telephone Number
Damien A. Morales	15921 City Walk, Sugar Land, Texas 77479	888-998-2860

I received a Disclosure Document dated as indicated above that included the following Exhibits:

State Specific Addenda
Exhibit A – Franchise Agreement and all Attachments
Exhibit B – Area Development Agreement and all Attachments
Exhibit C – General Release (Sample Form Only)
Exhibit D – Table of Contents of Confidential Operations Manual
Exhibit E – Financial Statements
Exhibit F – List of Franchisees
Exhibit G – List of State Administrators and Agents for Service of Process
Exhibit H - Franchise Agreement SBA Addendum
Exhibit I - State Effective Dates
Exhibit ~~I~~J – Receipts

Dated:_____ Dated:_____

_____ _____
Printed Name Printed name

_____ _____
Signed, individually and as an officer of Signed, individually and as an officer of
_____(a Corporation) _____(a Corporation)
_____(a Partnership) _____(a Partnership)
_____(a Limited Liability Company) _____(a Limited Liability Company)

[KEEP THIS PAGE FOR YOUR RECORDS]

Receipt

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

If FLOSS, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

Applicable state laws in (a) Michigan requires us to provide you the disclosure document at least 10 business 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 and (b) New York and Rhode Island require us to provide you the disclosure document at the earlier of the first personal meeting or 10 business 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.

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The franchisor is FLOSS, LLC, 15921 City Walk, Sugar Land, Texas 77479. Its telephone number is 888-998-2860.

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Exhibit B – Area Development Agreement and all Attachments
Exhibit C – General Release (Sample Form Only)
Exhibit D – Table of Contents of Confidential Operations Manual
Exhibit E – Financial Statements
Exhibit F – List of Franchisees and Certain Former Franchisees
Exhibit G – List of State Administrators and Agents for Service of Process
Exhibit H - Franchise Agreement SBA Addendum
Exhibit I - State Effective Dates
Exhibit ~~I~~J – Receipts

Dated:_____

_____
Printed Name

_____
Signed individually and as an officer of
_____(a Corporation)
_____(a Partnership)
_____(a Limited Liability Company)

Dated:_____

_____
Printed name

_____
Signed, individually and as an officer of
_____(a Corporation)
_____(a Partnership)
_____(a Limited Liability Company)

[Please return this completed form to FLOSS, LLC by E-mail: www.flossdental.com; or Regular Mail: 15921 City Walk, Sugar Land, Texas 77479.]