

Nondisclosure Agreement

This Nondisclosure Agreement (the "Agreement") dated _____, 2003, is made and entered into by and between _____, D.D.S., a dentist licensed to practice under the laws of the State of Texas, (hereinafter referred to as "Prospective Purchaser") and Terry D. Watson & Associates, Inc. ("Sales Consultant").

Witnesseth:

Whereas, Prospective Purchaser has expressed a bona fide interest in purchasing a dental practice (the "Practice"); and

Whereas, Sales Consultant is interested in assisting Prospective Purchaser in identifying and evaluating a Practice(s) with a view towards Prospective Purchaser purchasing a Practice; and

Whereas, as part of the evaluation by Prospective Purchaser of a Practice, it will be necessary that Sales Consultant provide to Prospective Purchaser business records and documents of prospective sellers ("Sellers"), including, without limitation, the actual identity of Sellers;

Now, Therefore, in consideration of the foregoing and intended to be legally bound thereby, the parties hereto agree as follows:

1. Disclosure of Business Records. Sales Consultant may make available to Prospective Purchaser or his agents, certain proprietary and confidential business records of Seller associated with Seller's dental practice, including, but not limited to, federal and state income tax returns, federal and state payroll tax returns, accounts receivable ledger, accounts payable ledger, pegboard, patient files and records, bank statements, canceled checks, deposit tickets, wage and commission statements, production statements and any other financial information reasonably requested. Such business records and documents contain sensitive proprietary information and trade secrets (collectively, the "Confidential Information") essential to the continued success of Seller's practice and disclosure of Confidential Information to third parties or its unauthorized use by Prospective Purchaser will cause irreparable harm and injury to Seller.

2. Proper Purpose. Prospective Purchaser hereby represents and warrants that he shall receive the Confidential Information only for the purpose of evaluating the feasibility of purchasing the Practice, and not for any other purpose whatsoever, and shall not use or disclose the Confidential Information or any other information derived therefrom, for any other purpose whatsoever without the express written consent of Seller or his agents.

3. Confidentiality. Prospective Purchaser will keep all information, whether written, oral or viewed, received from Sales Consultant or Seller strictly confidential and will not publish, broadcast or otherwise trust the same to any third party without express prior written consent from Sales Consultant and Seller; provided, however, that consent is hereby given to allow the attorney(s) and accountant(s) of Prospective Purchaser to review said Confidential Information as agents and for no other reasons, and such Confidential Information shall not be otherwise used by said attorneys or accountants as agents for Prospective Purchaser. Prospective Purchaser acknowledges that such Confidential Information shall at all times and for all purposes be regarded as owned solely by Seller and received and maintained by Prospective Purchaser in the strictest of confidence and in a fiduciary capacity only for use as set forth herein. Prospective Purchaser further acknowledges that portions of the Confidential Information relate to patient health information of a confidential nature, which is subject to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and regulations promulgated thereunder. Prospective Purchaser shall execute a Business Associate Agreement, in form reasonably required by Seller, prior to any on site visit to a Practice.

4. Return of Information. Prospective Purchaser hereby agrees that upon completion of its evaluations, and in no event later than ten days following request, to return all materials and Confidential Information in his or his agents' possession or control, including any and all copies thereof, and shall cause all persons previously receiving any of the foregoing Confidential Information to return same promptly to Sales Consultant and no copies thereof, in whole or in part, shall be retained by Prospective Purchaser or his agents or representatives. Any redelivery of the Confidential Information shall not relieve Prospective Purchaser of its obligations of confidentiality or any other obligation hereunder whatsoever.

5. Injunctive Relief. The parties hereby acknowledge and agree that any violation of this Agreement may cause permanent, irreparable damage for which no adequate remedy exists, and in the event of any such violation, the affected party shall have the right to petition any court of competent jurisdiction for injunctive or any other equitable relief and/or specific performance hereof. Each party hereby waives, and covenants not to assert, any defenses against an action for any such relief with respect to such a violation based on a claim that such relief is inappropriate.

6. Exclusive Agreement. This Agreement shall constitute the exclusive agreement of the parties hereto with respect to the subject matter hereof, and shall supersede all prior agreements or understandings of the parties hereto with respect thereto. This Agreement may only be modified or amended in writing signed by both parties.

7. Governing Law. This Agreement shall be construed and interpreted in accordance with and shall be governed by the laws of the State of Texas.

8. Notices. All notices, requests or demands to or upon the parties hereto shall be deemed given or made three (3) days after deposit in the mail, postage prepaid, registered or certified mail, addressed to each party's respective address, or at such other addresses which may be hereafter designated by the respective parties hereto.

9. Facsimile. A facsimile of this Agreement shall be valid as an original for all purposes.

In Witness Whereof, the parties hereto have caused this Agreement to be executed the day and year first above written.

Sales Consultant:

Terry D. Watson & Associates, Inc.
1202 Richardson Drive, Suite 203
Richardson, Texas 75080
Telephone: 972-235-3043
Fax: 972-783-6501

By: Terry D. Watson, President

Prospective Purchaser:

(Signature)

(Address)

(City, State, Zip)

(Telephone)

(Date)

(Printed Name & Title)