



TERM SHEET
January 23, 2015

Re: Term Sheet to purchase a Practice ("Transaction") and to enter into a Transition Agreement ("Transition Agreement").

Dear Dr. [REDACTED],

We are pleased to present the following Term Sheet ("Term Sheet") to acquire [REDACTED], DDS ("Practice") DBA [REDACTED] located at [REDACTED] by Capstone Dental, Inc., a Delaware corporation or its designated subsidiary ("Capstone") and to enter into a transition agreement ("Transition Agreement") with [REDACTED], DDS ("Dentist").

The details of the intended Transaction are as follows:

1. Acquisition of Assets. The acquisition of the assets will be based upon a total value of \$365,000. [REDACTED], DDS ("New Dentist") and Capstone will acquire 100% of the assets of the Practice for \$365,000 in cash at Closing. After acquiring such assets, New Dentist and Capstone will immediately contribute the assets of the Practice into a new joint venture entity ("Joint Venture"). After all such contributions, the Joint Venture will own all of the assets of the Practice.
2. Transition of Practice. On the day of close Dentist will enter into a Transition Agreement with Capstone to provide dental services to the Joint Venture for a period of time not to exceed August 1st 2015. As earnings for services rendered by Dentist, Joint Venture shall pay Dentist an amount equal to [REDACTED] percent ([REDACTED]%) of collections for services performed by and collected while employed by the Joint Venture. On the day of close Capstone or its designated affiliate will provide management services to the Joint Venture.
3. Accounts Receivable. The Acquisition of Assets does not include the accounts receivable of the Practice, which shall remain with Practice following the Closing. For purposes of this Agreement, accounts receivable of the Practice shall be defined as all fees due and payable to Practice for services rendered prior to Closing. The accounts receivable total ("Closing Date A/R Total") shall be determined on the Closing Date and shall include Accounts Receivable that are 90 days or less (as determined on the date of closing). Capstone agrees to pay the Practice 90% of the A/R Total at the time it is collected with payments to Dentist on a monthly basis. Capstone shall generate a monthly report for the Practice showing which accounts have been collected and which are still outstanding.
4. Closing. Capstone proposes that the Definitive Agreements will be executed on March 1, 2015.