

Charlotte, North Carolina **General Dentistry**
MERGER FINANCIAL SUMMARY FOR PRACTICE 8225 9/15/2010 14:36

The following summary illustrates a projected year's income and expenses for the subject practice which incorporates a 4% increase in fees and overhead expense but no increase in production. Although all variable expenses are included, fixed expenses that will not be duplicated are not included. This summary is not a representation or warranty of future practice performance. Purchasers should obtain legal and accounting counsel prior to any purchase decision. **NOTE: Practice price does not include accounts receivable.**

PRACTICE INCOME				
EXPECTED GROSS COLLECTION INCREASE			\$613,679	100.0%
	HYGIENE COMPONENT		\$245,472	40.0%
	DENTIST COMPONENT		\$368,207	60.0%
		RETAINED SELLER	\$122,736	20.0%
		ASSOCIATE	\$0	0.0%
		PURCHASER	\$245,472	40.0%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$180,509	29.4%
	LABORATORY		\$37,110	6.0%
	CLINICAL SUPPLIES		\$24,777	4.0%
	OTHER VARIABLE EXPENSE		\$59,054	9.6%
TOTAL VARIABLE EXPENSE INCREASE			\$301,450	49.1%
FIXED EXPENSE INCREASE				
	RENT		\$0	0.0%
	PHONE, UTILITIES		\$3,000	0.5%
	LEGAL & ACCOUNTING		\$3,500	0.6%
	INSURANCE		\$1,500	0.2%
	OTHER FIXED EXPENSE		\$12,005	2.0%
TOTAL FIXED EXPENSE INCREASE			\$20,005	3.3%
DEBT SERVICE INCREASE				
	INTEREST		\$34,741	5.7%
	PRINCIPAL		\$47,892	7.8%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$82,634	13.5%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$613,679	100.0%
EXPECTED INCREASED EXPENSES			\$321,455	52.4%
EXPECTED INCREASED DEBT SERVICE			\$82,634	13.5%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$209,591	85.4%
PURCHASER PRODUCED PRODUCTION			\$245,472	40.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$47,892	19.5%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$18,357	7.5%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$275,840	112.4%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	SALES PRICE & PERCENT OF GROSS		\$398,000	67%
	WORKING CAPITAL		\$30,000	4.9%
	TOTAL LOAN		\$428,000	69.7%
	LOAN INTEREST RATE		9.00%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$6,886	13.5%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$16,456	32.2%

Charlotte, North Carolina**MERGER DATA SUMMARY FOR PRACTICE NUMBER 8225**

The following data is provided by the owner of the practice. It is believed to the best of the owner's knowledge to be a true and accurate representation of the facts of the practice. It is the responsibility of any purchaser to verify all information contained herein and to seek qualified counsel in the interpretation and verification thereof.

OFFICE DATA

SQUARE FOOTAGE OF OFFICE	1,045
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	\$1,213
PRICE PER SQUARE FOOT	\$13.93
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	20
PROXIMITY OF PARKING PLACES	Next to building
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	1
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	2
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF UNPLUMBED EMPTY OPERATORIES	
DATE OF LEASE i.e. "1/1/99"	July-02
DATE LEASE ENDS - i.e. "1/1/04"	June-10
TERM OF LEASE IN YEARS i.e. "5"	5
YEARS REMAINING ON LEASE i.e. "2.5"	
RENEWAL OPTIONS	Not stated
DO YOU OWN YOUR BUILDING? "YES" OR "NO"	No
DO YOU WISH TO SELL THE BUILDING? "YES" OR "NO"	No
PRICE OF BUILDING	
IF NOT FOR SALE, MO. RENTAL AMOUNT	
ANNUAL REAL ESTATE TAXES	
ANNUAL REAL ESTATE INSURANCE COST	
PURCHASER MORTGAGE INTEREST RATE	7.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Retirement
DAYS/WEEK CURRENTLY WORKED	4
ENTER DESIRED DAYS WORKED FOR NEW BUYER SALE	
DESIRED WORK DAYS/WEEK 1ST YR	0
DESIRED WORK DAYS/WEEK 2ND YR	0
DESIRED WORK DAYS/WEEK 3RD YR	0
DESIRED WORK DAYS/WEEK 4TH YR	0
DESIRED WORK DAYS/WEEK 5TH YR	0
DESIRED WORK DAYS/WEEK 6TH YR	0

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	
RESULTS	
DESCRIBE INTERNAL MARKETING	None
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Yes
	Increase in patient load
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	28
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	13
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	11
HOW FAR AHEAD IS DENTIST SCHEDULED?	5 weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	
% PRACTICE INCOME FROM CASH	10%
% OF PATIENTS PAYING CASH	10%
% PRACTICE INCOME FROM INSURANCE	
% OF PATIENTS WITH INSURANCE	
% PRACTICE INCOME FROM HMO	45%
% OF PATIENTS WITH HMO	45%
% PRACTICE INCOME FROM PPO	45%
% OF PATIENTS WITH PPO	45%
% PRACTICE INCOME FROM CAPITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME WITH REDUCED FEE PLANS	90%
% OF PATIENTS WITH REDUCED FEE PLANS	90%
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
OFFICE HOURS	MONDAY 8:00 am - 5:00 pm
	TUESDAY 8:00 am - 5:00 pm
	WEDNESDAY 8:00 am - 5:00 pm
	THURSDAY 8:00 am - 5:00 pm
	FRIDAY
	SATURDAY
DENTIST HOURS WORKED PER WEEK	32
HYGIENIST HOURS WORKED PER WEEK	32
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	2,500
HYGIENE PATIENT VISITS PER YEAR	4,000
NUMBER OF DAYS WORKED PER YEAR	
NUMBER OF WEEKS WORKED PER YEAR	48
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$5,000
SIX WEEKS ACCOUNTS RECEIVABLE	\$70,809
WHAT IS YOUR COLLECTION PERCENTAGE	96%
WHAT TYPE RECALL SYSTEM	six months
WHAT TYPE COMPUTER SYSTEM	Three Star

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	40%
OPERATIVE	20%
PEDODONTICS	10%
ORTHODONTICS	0%
IMPLANTS	0%
REMOVABLE PROSTHETICS	10%
FIXED PROSTHETICS	10%
ENDODONTICS	0%
PERIODONTICS	0%
ORAL SURGERY	0%
COSMETIC	10%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
OTHER	0%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	20%
LOCATION DEMAND SCALE 0% - 100%	85%
PLAN / MEDICAID PRACTICE %	90%
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$84
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02386	\$180
TWO SURFACE AMALGAM 02150	\$162
CORE BUILD-UP INCLUDING PINS 02950	\$270
GOLD / PORCELAIN CROWN 02750	\$1,100
ANTERIOR CANAL ROOT CANAL 03310	
BICUSPID ROOT CANAL 03320	
LABIAL PORCELAIN VENEER 02962	
AVERAGE OF FEES	\$359
PERCENT OF FEE PARITY	106%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	300,000+
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	1.2 million
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	eight
MAJOR EMPLOYERS IN AREA	five
	Bank of America, School System, Duke Power
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	

STAFF DATA			
DESCRIBE STAFF BY POSITION AS TO	ANNUAL SALARY	WILL POSSIBLY STAY?	YEAR HIRED
FRONT DESK	\$34,624		2000
FRONT DESK			
ASSISTANT	\$28,601	Yes	1/24/2005
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$38,368	Yes	7/19/2004
HYGIENIST	\$44,707	Yes	11/15/2004
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER			
DESCRIBE FRINGE BENEFITS AND VALUE	Uniform allowance \$50/month; paid vacation/sick days		
DO YOU HIRE ANY UNPAID FAMILY MEMBERS	No		
DESCRIBE DUTIES			
ESTIMATED ANNUAL VALUE OF ABOVE			
PRODUCTION CENTERS			
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
ENTER YEAR	_____ TO _____	_____	_____
GROSS PRODUCTION	\$ _____	\$ _____	\$ _____
HYGIENISTS	\$ _____	\$ _____	\$ _____
OWNER	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ENTER ASSOCIATE SALARY IN DOLLARS IF FIXED			
ENTER ASSOCIATE COMMISSION PERCENTAGE			
ENTER HYGIENIST SALARY IN DOLLARS IF FIXED	\$27/hr plus health insurance; \$28/hour		
ENTER HYGIENIST COMMISSION PERCENTAGE			
CONFORMITY DATA			
DOES YOUR PRACTICE MEET OSHA STANDARDS?	Yes		
WHY NOT			
DOES YOUR PRACTICE MEET CDC STANDARDS?	Yes		
WHY NOT			
DOES PRACTICE MEET ALL GOVERNMENTAL REGULATIONS?	Yes		
EXPLAIN ANY DISCREPANCIES			
HAVE YOU HAD ANY DISCIPLINARY ACTION IN LAST 7 YRS	No		
EXPLAIN			
HAVE YOU HAD ANY PRACTICE RELATED SUITS FILED	No		
AGAINST YOU IN THE PAST TEN YEARS? EXPLAIN			
DESCRIBE ANY HEALTH PROBLEMS WHICH WOULD AFFECT	None		
YOUR PRACTICE OF DENTISTRY			