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| Tri-Cities Area, TN | General Dentistry |
| MERGER FINANCIAL SUMMARY FOR PRACTICE 8259 | 2/1/2011 15:28 |

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 | | | \$534,654 | 100.0% |
| | HYGIENE COMPONENT | | \$139,010 | 26.0% |
| | DENTIST COMPONENT | | \$395,644 | 74.0% |
| | RETAINED SELLER | | \$395,644 | 74.0% |
| | ASSOCIATE | | \$0 | 0.0% |
| | PURCHASER | | \$0 | 0.0% |
| VARIABLE EXPENSE INCREASE | | | | |
| | WAGES, PAYROLL TAX, ETC. | | \$122,727 | 23.0% |
| | LABORATORY | | \$54,472 | 10.2% |
| | CLINICAL SUPPLIES | | \$28,875 | 5.4% |
| | OTHER VARIABLE EXPENSE | | \$155,042 | 29.0% |
| TOTAL VARIABLE EXPENSE INCREASE | | | \$361,116 | 67.5% |
| FIXED EXPENSE INCREASE | | | | |
| | RENT | | \$0 | 0.0% |
| | PHONE, UTILITIES | | \$3,000 | 0.6% |
| | LEGAL & ACCOUNTING | | \$3,500 | 0.7% |
| | INSURANCE | | \$1,500 | 0.3% |
| | OTHER FIXED EXPENSE | | \$10,591 | 2.0% |
| TOTAL FIXED EXPENSE INCREASE | | | \$18,591 | 3.5% |
| DEBT SERVICE INCREASE | | | | |
| | INTEREST | | \$26,632 | 5.0% |
| | PRINCIPAL | | \$38,521 | 7.2% |
| TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE | | | \$65,153 | 12.2% |
| SUMMARY | | | | |
| EXPECTED INCREASED COLLECTIONS | | | \$534,654 | 100.0% |
| EXPECTED INCREASED EXPENSES | | | \$379,707 | 71.0% |
| EXPECTED INCREASED DEBT SERVICE | | | \$65,153 | 12.2% |
| EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION | | | \$89,793 | #DIV/0! |
| PURCHASER PRODUCED PRODUCTION | | | \$0 | 0.0% |
| EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION | | | \$38,521 | #DIV/0! |
| TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION | | | \$12,250 | #DIV/0! |
| TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD. | | | \$140,565 | #DIV/0! |
| THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS: | | | | |
| | SALES PRICE & PERCENT OF GROSS | | \$315,000 | 61% |
| | WORKING CAPITAL | | \$26,000 | 4.9% |
| | TOTAL LOAN | | \$341,000 | 63.8% |
| | LOAN INTEREST RATE | | 8.67% | |
| | LOAN TERM IN MONTHS | | 84 | |
| | MONTHLY PAYMENT | | \$5,429 | 12.2% |
| | ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT | | \$19,284 | 43.3% |

Tri-Cities Area, TN**MERGER DATA SUMMARY FOR PRACTICE NUMBER 8259**

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 | 1,600 |
| EXPANDABLE FOOTAGE | |
| CURRENT MONTHLY RENTAL i.e. "1200" | \$1,040 |
| PRICE PER SQUARE FOOT | \$7.80 |
| IS OFFICE HANDICAPPED ACCESSIBLE? | No |
| NUMBER OF PARKING SPACES | 15 |
| PROXIMITY OF PARKING PLACES | On location |
| NUMBER OF OPERATORIES EQUIPPED FOR DENTIST | 3 |
| NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST | 1 |
| NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES | |
| NUMBER OF UNPLUMBED EMPTY OPERATORIES | |
| DATE OF LEASE i.e. "1/1/99" | December-06 |
| DATE LEASE ENDS - i.e. "1/1/04" | December-07 |
| TERM OF LEASE IN YEARS i.e. "5" | 1 |
| YEARS REMAINING ON LEASE i.e. "2.5" | |
| RENEWAL OPTIONS | 6 months notice |
| 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 | |
| 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 |

OTHER PRACTICE INFORMATION:

My practice would be considered a "blue collar" practice. My concentration is on the everyday procedures. I almost always see people at the time of their appointment. I try to give them a good service at a fair price. I have a very loyal staff which helps me with these goals.

| PRACTICE DATA | |
|---|------------------------------|
| WHAT CONSULTANT USED IN PAST 5 YRS | |
| RESULTS | |
| DESCRIBE INTERNAL MARKETING | |
| DESCRIBE EXTERNAL MARKETING | |
| HAS GROSS CHANGED SIGNIFICANTLY? WHY? | Small steady growth |
| PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS | |
| ESTIMATE NUMBER OF PTS LAST 18 MONTHS | 1,200 |
| AVERAGE NUMBER OF NEW PATIENTS PER MONTH | 20 |
| AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST | 16 |
| AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST | 12 (by each hygienist) |
| HOW FAR AHEAD IS DENTIST SCHEDULED? | one week |
| HOW FAR AHEAD IS HYGIENIST SCHEDULED? | eight weeks |
| % PRACTICE INCOME FROM CASH | 49% |
| % OF PATIENTS PAYING CASH | 49% |
| % PRACTICE INCOME FROM INSURANCE | 51% |
| % OF PATIENTS WITH INSURANCE | 51% |
| % PRACTICE INCOME FROM HMO | |
| % OF PATIENTS WITH HMO | |
| % PRACTICE INCOME FROM PPO | |
| % OF PATIENTS WITH PPO | |
| % PRACTICE INCOME FROM CAPITATION | |
| % OF PATIENTS WITH CAPITATION | |
| % PRACTICE INCOME FROM MEDICAID | |
| % OF PATIENTS WITH MEDICAID | |
| % PRACTICE INCOME WITH REDUCED FEE PLANS | |
| % OF PATIENTS WITH REDUCED FEE PLANS | |
| PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS | |
| OFFICE HOURS | MONDAY 8:00 am - 6:00 pm |
| | TUESDAY 8:00 am - 5:00 pm |
| | WEDNESDAY 8:00 am - 12:00 pm |
| | THURSDAY 8:00 am - 5:00 pm |
| | FRIDAY 7:00 am - 12:00 pm |
| | SATURDAY |
| DENTIST HOURS WORKED PER WEEK | 35 |
| HYGIENIST HOURS WORKED PER WEEK | 42 |
| ASSOCIATE HOURS WORKED PER WEEK | |
| DENTIST PATIENT VISITS PER YEAR | 5,016 |
| HYGIENE PATIENT VISITS PER YEAR | 2,650 |
| NUMBER OF DAYS WORKED PER YEAR | 240 |
| NUMBER OF WEEKS WORKED PER YEAR | 48 |
| ACTUAL ACCOUNTS RECEIVABLE BALANCE | \$37,000 |
| SIX WEEKS ACCOUNTS RECEIVABLE | \$61,691 |
| WHAT IS YOUR COLLECTION PERCENTAGE | 98% |
| WHAT TYPE RECALL SYSTEM | Computer |
| WHAT TYPE COMPUTER SYSTEM | Eaglesoft |

| WHAT % OF THE PRACTICE INCOME IS: | |
|--|--|
| HYGIENIST PRODUCTION | 26% |
| OPERATIVE | 60% |
| PEDODONTICS | 0% |
| ORTHODONTICS | 0% |
| IMPLANTS | 1% |
| REMOVABLE PROSTHETICS | 5% |
| FIXED PROSTHETICS | 4% |
| ENDODONTICS | 1% |
| PERIODONTICS | 0% |
| ORAL SURGERY | 1% |
| COSMETIC | 1% |
| TMJ TREATMENT | 0% |
| SOFT TISSUE MANAGEMENT | 0% |
| OTHER | 1% |
| TOTAL | 100% |
| MARKET FACTOR DATA | |
| EQUIPMENT FACTOR SCALE 0% - 100% | 40% |
| LOCATION DEMAND SCALE 0% - 100% | 65% |
| PLAN / MEDICAID PRACTICE % | |
| ANNUAL FEE INCREASE % | 4% |
| ANNUAL OVERHEAD INCREASE % | 4% |
| FEE SCHEDULE | |
| ADULT PROPHY 01110 | \$68 |
| GOLD INLAY 02540 | |
| TWO SURFACE POSTERIOR COMPOSITE 02392 | \$126 |
| TWO SURFACE AMALGAM 02150 | \$82 |
| CORE BUILD-UP INCLUDING PINS 02950 | \$195 |
| GOLD / PORCELAIN CROWN 02750 | \$825 |
| ANTERIOR CANAL ROOT CANAL 03310 | \$465 |
| BICUSPID ROOT CANAL 03320 | \$525 |
| LABIAL PORCELAIN VENEER 02962 | \$750 |
| AVERAGE OF FEES | \$535 |
| PERCENT OF FEE PARITY | 96% |
| DEMOGRAPHIC DATA | |
| WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN | 60,000 |
| WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA | 100,000 |
| NUMBER OF DENTISTS WITHIN 5 MILES | 25 |
| NUMBER NEW DENTISTS WITHIN 5 MILES IN LAST 5 YEARS | |
| MAJOR EMPLOYERS IN AREA | East Tenn State Univer, Nuclear Fuels, Tenn Eastman, Johnson City Medical Center |
| DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA | |

| STAFF DATA | | | |
|--|--|---------------------|---------------|
| DESCRIBE STAFF BY POSITION AS TO | ANNUAL SALARY | WILL POSSIBLY STAY? | YEAR HIRED |
| RECEPTIONIST | \$ 8,900PT | ? | 1985 |
| OFFICE MANAGER | \$36,537 | Yes | 1977 |
| RECEPTIONIST | \$ _____ | _____ | _____ |
| ASSISTANT | \$24,500 | Yes | 1989 |
| ASSISTANT | \$22,800 | Yes | 2001 |
| ASSISTANT | \$ _____ | _____ | _____ |
| ASSISTANT | \$ _____ | _____ | _____ |
| ASSISTANT | \$ _____ | _____ | _____ |
| HYGIENIST | \$57,000 | ? | 1977 |
| HYGIENIST | \$16,000 PT | ? | 1995 |
| HYGIENIST | \$11,900 | _____ | _____ |
| HYGIENIST | \$ _____ | _____ | _____ |
| LAB TECHNICIAN | \$ _____ | _____ | _____ |
| LAB TECHNICIAN | \$ _____ | _____ | _____ |
| OTHER _____ | \$ _____ | _____ | _____ |
| OTHER _____ | | | |
| DESCRIBE FRINGE BENEFITS AND VALUE | \$800/yr medical reimbursement and \$45/month clothing allowance | | |
| DO YOU HIRE ANY UNPAID FAMILY MEMBERS | for full time employees | | |
| DESCRIBE DUTIES | | | |
| ESTIMATED ANNUAL VALUE OF ABOVE | | | |
| | | | |
| PRODUCTION CENTERS | | | |
| | YEAR TO DATE | LAST YEAR | TWO YEARS AGO |
| ENTER YEAR | 1/1/07 TO 11/2/07 | 2006 | 2005 |
| GROSS PRODUCTION | \$413,032 | \$498,735 | \$487,844 |
| HYGIENISTS | \$114,454 | \$132,318 | \$127,315 |
| OWNER | \$298,578 | \$366,417 | \$360,529 |
| ASSOCIATE | \$ _____ | \$ _____ | \$ _____ |
| ASSOCIATE | \$ _____ | \$ _____ | \$ _____ |
| ASSOCIATE | \$ _____ | \$ _____ | \$ _____ |
| | | | |
| ENTER ASSOCIATE SALARY IN DOLLARS IF FIXED | | | |
| ENTER ASSOCIATE COMMISSION PERCENTAGE | | | |
| | | | |
| ENTER HYGIENIST SALARY IN DOLLARS IF FIXED | | | |
| 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 YOUR PRACTICE OF DENTISTRY | None | | |