

## MERGER FINANCIAL SUMMARY FOR PRACTICE 8662

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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			\$1,726,363	100.0%
	HYGIENE COMPONENT		\$397,064	23.0%
	DENTIST COMPONENT		\$1,329,300	77.0%
		RETAINED SELLER	\$1,035,818	60.0%
		ASSOCIATE	\$0	0.0%
		PURCHASER	\$293,482	17.0%

**VARIABLE EXPENSE INCREASE**

	WAGES, PAYROLL TAX, ETC.		\$413,656	24.0%
	LABORATORY		\$46,001	2.7%
	CLINICAL SUPPLIES		\$72,599	4.2%
	OTHER VARIABLE EXPENSE		\$437,248	25.3%
TOTAL VARIABLE EXPENSE INCREASE			\$969,504	56.2%

**FIXED EXPENSE INCREASE**

	RENT		\$0	0.0%
	PHONE, UTILITIES		\$3,000	0.2%
	LEGAL & ACCOUNTING		\$3,500	0.2%
	INSURANCE		\$1,500	0.1%
	OTHER FIXED EXPENSE		\$8,165	0.5%
TOTAL FIXED EXPENSE INCREASE			\$16,165	0.9%

**DEBT SERVICE INCREASE**

	INTEREST		\$92,697	5.4%
	PRINCIPAL		\$127,788	7.4%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$220,485	12.8%

**SUMMARY**

EXPECTED INCREASED COLLECTIONS			\$1,726,363	100.0%
EXPECTED INCREASED EXPENSES			\$985,670	57.1%
EXPECTED INCREASED DEBT SERVICE			\$220,485	12.8%
<b>EXPECTED INCREASED NET INCOME &amp; PERCENT OF PERSONAL PRODUCTION</b>			<b>\$520,209</b>	<b>177.3%</b>
PURCHASER PRODUCED PRODUCTION			\$293,482	17.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$127,788	43.5%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$43,797	14.9%
<b>TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY &amp; % PERSONAL PROD</b>			<b>\$691,794</b>	<b>235.7%</b>

**THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:**

	SALES PRICE & PERCENT OF GROSS		\$1,059,000	64%
	WORKING CAPITAL		\$83,000	4.8%
	TOTAL LOAN		\$1,142,000	66.2%
	LOAN INTEREST RATE		9.00%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$18,374	12.8%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$57,077	39.7%

**Greensboro, North Carolina****MERGER DATA SUMMARY FOR PRACTICE NUMBER 8662**

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	3,000
EXPANDABLE FOOTAGE	Possibly
CURRENT MONTHLY RENTAL i.e. "1200"	\$9,000
PRICE PER SQUARE FOOT	\$36.00
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	About 20
PROXIMITY OF PARKING PLACES	Close
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	8
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF UNPLUMBED EMPTY OPERATORIES	
DATE OF LEASE i.e. "1/1/99"	
DATE LEASE ENDS - i.e. "1/1/04"	
TERM OF LEASE IN YEARS i.e. "5"	
YEARS REMAINING ON LEASE i.e. "2.5"	
RENEWAL OPTIONS	
DO YOU OWN YOUR BUILDING? "YES" OR "NO"	Yes
DO YOU WISH TO SELL THE BUILDING? "YES" OR "NO"	No
PRICE OF BUILDING	
IF NOT FOR SALE, MO. RENTAL AMOUNT	\$3,995
ANNUAL REAL ESTATE TAXES	\$1,416
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	\$15.98

**WORK SCHEDULE**

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

<b>PRACTICE DATA</b>	
WHAT CONSULTANT USED IN PAST 5 YRS	No
RESULTS	
DESCRIBE INTERNAL MARKETING	Referral cards handed out to existing patients offering friends/ family members free whitening.
DESCRIBE EXTERNAL MARKETING	Newspaper, Valpak, Yellow Pages, Radio
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	
<b>PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA &amp; REDUCED FEE PLANS!</b>	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	2,408
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	85
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	12
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	6
HOW FAR AHEAD IS DENTIST SCHEDULED?	four weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	six weeks
% PRACTICE INCOME FROM CASH	14%
% OF PATIENTS PAYING CASH	14%
% PRACTICE INCOME FROM INSURANCE	26%
% OF PATIENTS WITH INSURANCE	26%
% 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	60%
% OF PATIENTS WITH MEDICAID	60%
% PRACTICE INCOME WITH REDUCED FEE PLANS	60%
% OF PATIENTS WITH REDUCED FEE PLANS	60%
<b>PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA &amp; REDUCED FEE PLANS!</b>	
OFFICE HOURS	MONDAY 9:00 am - 4:00 pm
	TUESDAY 9:00 am - 4:00 pm
	WEDNESDAY 9:00 am - 4:00 pm
	THURSDAY 9:00 am - 4:00 pm
	FRIDAY 9:00 am - 4:00 pm
	SATURDAY
DENTIST HOURS WORKED PER WEEK	35
HYGIENIST HOURS WORKED PER WEEK	35
ASSOCIATE HOURS WORKED PER WEEK	35
DENTIST PATIENT VISITS PER YEAR	
HYGIENE PATIENT VISITS PER YEAR	
NUMBER OF DAYS WORKED PER YEAR	250
NUMBER OF WEEKS WORKED PER YEAR	48
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$94,045
SIX WEEKS ACCOUNTS RECEIVABLE	\$199,196
WHAT IS YOUR COLLECTION PERCENTAGE	100%
WHAT TYPE RECALL SYSTEM	
WHAT TYPE COMPUTER SYSTEM	Softdent

<b>WHAT % OF THE PRACTICE INCOME IS:</b>	
HYGIENIST PRODUCTION	23%
OPERATIVE	45%
PEDODONTICS	0%
ORTHODONTICS	0%
IMPLANTS	0%
REMOVABLE PROSTHETICS	9%
FIXED PROSTHETICS	0%
ENDODONTICS	1%
PERIODONTICS	5%
ORAL SURGERY	17%
COSMETIC	0%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
OTHER	0%
TOTAL	100%
<b>MARKET FACTOR DATA</b>	
EQUIPMENT FACTOR SCALE 0% - 100%	75%
LOCATION DEMAND SCALE 0% - 100%	75%
PLAN / MEDICAID PRACTICE %	60%
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
<b>FEE SCHEDULE</b>	
ADULT PROPHY 01110	\$75
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02392	\$215
TWO SURFACE AMALGAM 02150	
CORE BUILD-UP INCLUDING PINS 02950	\$225
GOLD / PORCELAIN CROWN 02750	\$850
ANTERIOR CANAL ROOT CANAL 03310	\$750
BICUSPID ROOT CANAL 03320	\$800
LABIAL PORCELAIN VENEER 02962	\$950
AVERAGE OF FEES	\$552
PERCENT OF FEE PARITY	94%
<b>DEMOGRAPHIC DATA</b>	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	258,761
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	258,761
NUMBER OF DENTISTS WITHIN 5 MILES	
NUMBER NEW DENTISTS WITHIN 5 MILES IN LAST 5 YEARS	
MAJOR EMPLOYERS IN AREA	Honda Aircraft, VF Corporation, Volvo Trucks, Lorillard, RF Micro Devices
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	

<b>STAFF DATA</b>			
DESCRIBE STAFF BY POSITION AS TO	ANNUAL SALARY	WILL POSSIBLY STAY?	YEAR HIRED
RECEPTIONIST	\$21,736	Probably	2008
RECEPTIONIST	\$23,296	Probably	2008
RECEPTIONIST	\$31,616	Probably	2008
ASSISTANT	\$33,280	Probably	2008
ASSISTANT	\$31,616	Probably	2008
ASSISTANT	\$34,528	Probably	2008
ASSISTANT	\$29,952	Probably	2008
ASSISTANT	\$30,784	Probably	2008
ASSISTANT	\$31,616	Probably	2008
HYGIENIST	\$31,200	Probably	2008
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	Health insurance, paid holidays		
DO YOU HIRE ANY UNPAID FAMILY MEMBERS	No		
DESCRIBE DUTIES			
ESTIMATED ANNUAL VALUE OF ABOVE			
<b>PRODUCTION CENTERS</b>			
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
ENTER YEAR	1/1/09 TO 4/30/09	2008	_____
GROSS PRODUCTION	\$628,684	\$1,245,834	\$ _____
HYGIENISTS	\$ _____	\$ _____	\$ _____
OWNER	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ENTER ASSOCIATE SALARY IN DOLLARS IF FIXED			
ENTER ASSOCIATE COMMISSION PERCENTAGE	30-32%		
ENTER HYGIENIST SALARY IN DOLLARS IF FIXED	\$30/hr		
ENTER HYGIENIST COMMISSION PERCENTAGE			
<b>CONFORMITY DATA</b>			
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		