

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			\$481,665	100.0%
HYGIENE COMPONENT			\$168,583	35.0%
DENTIST COMPONENT			\$313,082	65.0%
RETAINED SELLER			\$0	0.0%
ASSOCIATE			\$0	0.0%
PURCHASER			\$313,082	65.0%

VARIABLE EXPENSE INCREASE

WAGES, PAYROLL TAX, ETC.			\$127,160	26.4%
LABORATORY			\$15,121	3.1%
CLINICAL SUPPLIES			\$45,021	9.3%
OTHER VARIABLE EXPENSE			\$13,496	2.8%
TOTAL VARIABLE EXPENSE INCREASE			\$200,798	41.7%

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			\$4,156	0.9%
TOTAL FIXED EXPENSE INCREASE			\$12,156	2.5%

DEBT SERVICE INCREASE

INTEREST			\$34,976	7.3%
PRINCIPAL			\$40,049	8.3%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$75,025	15.6%

SUMMARY

EXPECTED INCREASED COLLECTIONS			\$481,665	100.0%
EXPECTED INCREASED EXPENSES			\$212,954	44.2%
EXPECTED INCREASED DEBT SERVICE			\$75,025	15.6%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$193,686	61.9%
PURCHASER PRODUCED PRODUCTION			\$313,082	65.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$40,049	12.8%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$13,712	4.4%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD			\$247,447	79.0%

THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:

SALES PRICE & PERCENT OF GROSS			\$279,000	60%
WORKING CAPITAL			\$23,000	4.8%
TOTAL LOAN			\$302,000	62.7%
LOAN INTEREST RATE			9.00%	
LOAN TERM IN MONTHS			84	
MONTHLY PAYMENT			\$6,252	15.6%
ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT			\$8,429	21.0%

Tarboro, NC

MERGER DATA SUMMARY FOR PRACTICE NUMBER 8692

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	2,000
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	
PRICE PER SQUARE FOOT	
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	10+
PROXIMITY OF PARKING PLACES	Adjacent
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	2
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	1
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	Room for expansion
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"	Yes
PRICE OF BUILDING	\$155,000
IF NOT FOR SALE, MO. RENTAL AMOUNT	
ANNUAL REAL ESTATE TAXES	\$539
ANNUAL REAL ESTATE INSURANCE COST	\$1,090
PURCHASER MORTGAGE INTEREST RATE	7.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	\$1,393
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	\$8.36

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Retirement
DAYS/WEEK CURRENTLY WORKED	3.5
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:

Staff has been with me for a minimum of ten years. They get along well with each other and work well as a team. Patients are cooperative, supportive and mostly well-motivated. The community is friendly and very active for a small town with lots of community activities and functions. The philosophy of our practice is: People don't care how much you know, until they know that you care!

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	
RESULTS	
DESCRIBE INTERNAL MARKETING	Descriptive flyers in the office
DESCRIBE EXTERNAL MARKETING	Yellows pages, local publications, Chamber of Commerce
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Down some due to the recession
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS!	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	10
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	12
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	11
HOW FAR AHEAD IS DENTIST SCHEDULED?	1-2 weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	6 months
% PRACTICE INCOME FROM CASH	53%
% OF PATIENTS PAYING CASH	53%
% PRACTICE INCOME FROM INSURANCE	46%
% OF PATIENTS WITH INSURANCE	46%
% 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	1%
% OF PATIENTS WITH MEDICAID	1%
% PRACTICE INCOME WITH REDUCED FEE PLANS	1%
% OF PATIENTS WITH REDUCED FEE PLANS	1%
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 - 1:00 pm
	FRIDAY
	SATURDAY
DENTIST HOURS WORKED PER WEEK	29
HYGIENIST HOURS WORKED PER WEEK	29
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	1,920
HYGIENE PATIENT VISITS PER YEAR	1,850
NUMBER OF DAYS WORKED PER YEAR	168
NUMBER OF WEEKS WORKED PER YEAR	50
ACTUAL ACCOUNTS RECEIVABLE BALANCE	
SIX WEEKS ACCOUNTS RECEIVABLE	\$55,577
WHAT IS YOUR COLLECTION PERCENTAGE	
WHAT TYPE RECALL SYSTEM	Hygiene patients appointed in advance (six months)
WHAT TYPE COMPUTER SYSTEM	

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	35%
OPERATIVE	14%
PEDODONTICS	1%
ORTHODONTICS	0%
IMPLANTS	0%
REMOVABLE PROSTHETICS	25%
FIXED PROSTHETICS	25%
ENDODONTICS	0%
PERIODONTICS	0%
ORAL SURGERY	0%
COSMETIC	0%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
OTHER	0%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	50%
LOCATION DEMAND SCALE 0% - 100%	40%
PLAN / MEDICAID PRACTICE %	1%
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$65
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02386	\$170
TWO SURFACE AMALGAM 02150	\$130
CORE BUILD-UP INCLUDING PINS 02950	\$200
GOLD / PORCELAIN CROWN 02750	\$850
ANTERIOR CANAL ROOT CANAL 03310	
BICUSPID ROOT CANAL 03320	
LABIAL PORCELAIN VENEER 02962	
AVERAGE OF FEES	\$283
PERCENT OF FEE PARITY	83%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	11,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	20,000
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	five (one is at county health dept for medicaid patients)
MAJOR EMPLOYERS IN AREA	QVC, Keihm Industries, Edgecombe Community College, Air Systems Components, KanBan Industries, Heritage Hospital
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	\$ _____	_____	_____
OFFICE MANAGER/RECEPTIONIST	\$40,352	?	1992
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$29,640	Possible	1999
ASSISTANT/STERILIZATION	\$27,144	Possible	1995
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$57,304	Possible	1999
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	Offer 2/3 of staff health insurance and half dependents to those		
DO YOU HIRE ANY UNPAID FAMILY MEMBERS	who need it		
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			57304
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		