

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			\$712,747	100.0%
HYGIENE COMPONENT			\$163,932	23.0%
DENTIST COMPONENT			\$548,815	77.0%
RETAINED SELLER			\$0	0.0%
ASSOCIATE			\$0	0.0%
PURCHASER			\$548,815	77.0%

**VARIABLE EXPENSE INCREASE**

WAGES, PAYROLL TAX, ETC.			\$155,028	21.8%
LABORATORY			\$26,284	3.7%
CLINICAL SUPPLIES			\$43,442	6.1%
OTHER VARIABLE EXPENSE			\$32,389	4.5%
<b>TOTAL VARIABLE EXPENSE INCREASE</b>			<b>\$257,143</b>	<b>36.1%</b>

**FIXED EXPENSE INCREASE**

RENT			\$0	0.0%
PHONE, UTILITIES			\$3,000	0.4%
LEGAL & ACCOUNTING			\$3,500	0.5%
INSURANCE			\$1,500	0.2%
OTHER FIXED EXPENSE			\$3,457	0.5%
<b>TOTAL FIXED EXPENSE INCREASE</b>			<b>\$11,457</b>	<b>1.6%</b>

**DEBT SERVICE INCREASE**

INTEREST			\$35,147	4.9%
PRINCIPAL			\$48,452	6.8%
<b>TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE</b>			<b>\$83,599</b>	<b>11.7%</b>

**SUMMARY**

EXPECTED INCREASED COLLECTIONS			\$712,747	100.0%
EXPECTED INCREASED EXPENSES			\$268,600	37.7%
EXPECTED INCREASED DEBT SERVICE			\$83,599	11.7%
<b>EXPECTED INCREASED NET INCOME &amp; PERCENT OF PERSONAL PRODUCTION</b>			<b>\$360,549</b>	<b>65.7%</b>
PURCHASER PRODUCED PRODUCTION			\$548,815	77.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$48,452	8.8%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$20,037	3.7%
<b>TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY &amp; % PERSONAL PROD</b>			<b>\$429,037</b>	<b>78.2%</b>

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

SALES PRICE & PERCENT OF GROSS			\$399,000	58%
WORKING CAPITAL			\$34,000	4.8%
TOTAL LOAN			\$433,000	60.8%
LOAN INTEREST RATE			9.00%	
LOAN TERM IN MONTHS			84	
MONTHLY PAYMENT			\$6,967	11.7%
ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT			\$8,197	13.8%

**Rutherfordton Area, North Carolina**

**MERGER DATA SUMMARY FOR PRACTICE NUMBER 8717**

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	1,320
EXPANDABLE FOOTAGE	No
CURRENT MONTHLY RENTAL i.e. "1200"	N/A
PRICE PER SQUARE FOOT	#VALUE!
IS OFFICE HANDICAPPED ACCESSIBLE?	Ramp in rear
NUMBER OF PARKING SPACES	20
PROXIMITY OF PARKING PLACES	Office Lot
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	2
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	1
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	N/A
NUMBER OF UNPLUMBED EMPTY OPERATORIES	N/A
DATE OF LEASE i.e. "1/1/99"	N/A
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	Need Appraisal
IF NOT FOR SALE, MO. RENTAL AMOUNT	\$1,500
ANNUAL REAL ESTATE TAXES	\$2,150
ANNUAL REAL ESTATE INSURANCE COST	\$875
PURCHASER MORTGAGE INTEREST RATE	7.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	\$13.64

**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

<b>PRACTICE DATA</b>	
WHAT CONSULTANT USED IN PAST 5 YRS	None
RESULTS	
DESCRIBE INTERNAL MARKETING	
DESCRIBE EXTERNAL MARKETING	
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	1,947
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	34
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	10
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	10
HOW FAR AHEAD IS DENTIST SCHEDULED?	
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	
% PRACTICE INCOME FROM CASH	24%
% OF PATIENTS PAYING CASH	24%
% PRACTICE INCOME FROM INSURANCE	35%
% OF PATIENTS WITH INSURANCE	35%
% 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	41%
% OF PATIENTS WITH MEDICAID	41%
% PRACTICE INCOME WITH REDUCED FEE PLANS	41%
% OF PATIENTS WITH REDUCED FEE PLANS	41%
<b>PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA &amp; REDUCED FEE PLANS!</b>	
OFFICE HOURS	MONDAY 8:30 AM - 12:30 PM/1:30 PM - 5:00 PM
	TUESDAY 8:30 AM - 12:30 PM/1:30 PM - 5:00 PM
	WEDNESDAY 8:30 AM - 12:30 PM/1:30 PM - 5:00 PM
	THURSDAY 8:30 AM - 12:30 PM/1:30 PM - 5:00 PM
	FRIDAY
	SATURDAY
DENTIST HOURS WORKED PER WEEK	30
HYGIENIST HOURS WORKED PER WEEK	30
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	
HYGIENE PATIENT VISITS PER YEAR	
NUMBER OF DAYS WORKED PER YEAR	180
NUMBER OF WEEKS WORKED PER YEAR	46
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$123,861
SIX WEEKS ACCOUNTS RECEIVABLE	\$82,240
WHAT IS YOUR COLLECTION PERCENTAGE	
WHAT TYPE RECALL SYSTEM	
WHAT TYPE COMPUTER SYSTEM	Practice Works

<b>WHAT % OF THE PRACTICE INCOME IS:</b>	
HYGIENIST PRODUCTION	23%
OPERATIVE	40%
PEDODONTICS	0%
ORTHODONTICS	0%
IMPLANTS	0%
REMOVABLE PROSTHETICS	5%
FIXED PROSTHETICS	1%
ENDODONTICS	0%
PERIODONTICS	5%
ORAL SURGERY	3%
COSMETIC	0%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
DIAGNOSTIC	23%
TOTAL	100%
<b>MARKET FACTOR DATA</b>	
EQUIPMENT FACTOR SCALE 0% - 100%	65%
LOCATION DEMAND SCALE 0% - 100%	40%
PLAN / MEDICAID PRACTICE %	41%
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
<b>FEE SCHEDULE</b>	
ADULT PROPHY 01110	\$69
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02386	
TWO SURFACE AMALGAM 02150	\$129
CORE BUILD-UP INCLUDING PINS 02950	\$210
GOLD / PORCELAIN CROWN 02750	\$869
ANTERIOR CANAL ROOT CANAL 03310	\$570
BICUSPID ROOT CANAL 03320	\$690
LABIAL PORCELAIN VENEER 02962	\$869
AVERAGE OF FEES	\$487
PERCENT OF FEE PARITY	83%
<b>DEMOGRAPHIC DATA</b>	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	nine
MAJOR EMPLOYERS IN AREA	five miles
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	\$28,660	Yes	1999
OFFICE MANAGER	\$ _____	_____	_____
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$28,292	Yes	1987
ASSISTANT	\$22,517	Yes	2000
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
PART-TIME HYGIENIST	\$21,004	Yes	1997
PART-TIME HYGIENIST	\$20,497	Yes	2007
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE			
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	_____ 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			
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		