

Charlotte, North Carolina **General Dentistry**
MERGER FINANCIAL SUMMARY FOR PRACTICE 8728 5/20/2010 13:40

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			\$375,676	100.0%
	HYGIENE COMPONENT		\$187,838	50.0%
	DENTIST COMPONENT		\$187,838	50.0%
	RETAINED SELLER		\$0	0.0%
	ASSOCIATE		\$0	0.0%
	PURCHASER		\$187,838	50.0%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$126,692	33.7%
	LABORATORY		\$12,951	3.4%
	CLINICAL SUPPLIES		\$23,815	6.3%
	OTHER VARIABLE EXPENSE		\$5,872	1.6%
TOTAL VARIABLE EXPENSE INCREASE			\$169,330	45.1%
FIXED EXPENSE INCREASE				
	RENT		\$0	0.0%
	PHONE, UTILITIES		\$3,000	0.8%
	LEGAL & ACCOUNTING		\$3,500	0.9%
	INSURANCE		\$1,500	0.4%
	OTHER FIXED EXPENSE		\$10,530	2.8%
TOTAL FIXED EXPENSE INCREASE			\$18,530	4.9%
DEBT SERVICE INCREASE				
	INTEREST		\$23,296	6.2%
	PRINCIPAL		\$32,115	8.5%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$55,411	14.7%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$375,676	100.0%
EXPECTED INCREASED EXPENSES			\$187,859	50.0%
EXPECTED INCREASED DEBT SERVICE			\$55,411	14.7%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$132,406	70.5%
PURCHASER PRODUCED PRODUCTION			\$187,838	50.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$32,115	17.1%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$11,366	6.1%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$175,887	93.6%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	SALES PRICE & PERCENT OF GROSS		\$269,000	74%
	WORKING CAPITAL		\$18,000	4.8%
	TOTAL LOAN		\$287,000	76.4%
	LOAN INTEREST RATE		9.00%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$4,618	14.7%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$9,392	30.0%

Charlotte, North Carolina**MERGER DATA SUMMARY FOR PRACTICE NUMBER 8728**

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	None
CURRENT MONTHLY RENTAL i.e. "1200"	\$2,200
PRICE PER SQUARE FOOT	\$16.50
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	37 - shared among 4 offices
PROXIMITY OF PARKING PLACES	Close to building
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	2
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	1
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	1
NUMBER OF UNPLUMBED EMPTY OPERATORIES	
DATE OF LEASE i.e. "1/1/99"	December-07
DATE LEASE ENDS - i.e. "1/1/04"	December-10
TERM OF LEASE IN YEARS i.e. "5"	3
YEARS REMAINING ON LEASE i.e. "2.5"	7-1/2 months
RENEWAL OPTIONS	Yes
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	\$2,250
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	\$16.88

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Retirement/Death
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: Practice is very family-oriented. We see three generations of some families. Staff is very dedicated, loyal and caring. The patients feel very close to our staff and very comfortable in our casual atmosphere. Our philosophy is to give patients the very best of care at a reasonable cost in a friendly, caring manner.

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	Total Medical Compliance
RESULTS	Almost completed OSHA standards
DESCRIBE INTERNAL MARKETING	2 signs: "The greatest compliment our patients can give is the referral of their friends and loved ones". This works!
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	No
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	1,050
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	4
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	4
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	9
HOW FAR AHEAD IS DENTIST SCHEDULED?	2 months
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	7 months
% PRACTICE INCOME FROM CASH	90%
% OF PATIENTS PAYING CASH	55%
% PRACTICE INCOME FROM INSURANCE	10%
% OF PATIENTS WITH INSURANCE	45%
% 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	1%
% OF PATIENTS WITH REDUCED FEE PLANS	1%
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
OFFICE HOURS	MONDAY 7:45 AM - 5:00 PM
	TUESDAY 7:45 AM - 5:00 PM
	WEDNESDAY
	THURSDAY 7:45 AM - 5:00 PM
	FRIDAY 7:45 AM - 4:00 PM
	SATURDAY
DENTIST HOURS WORKED PER WEEK	32
HYGIENIST HOURS WORKED PER WEEK	32-1/4
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	686
HYGIENE PATIENT VISITS PER YEAR	1,463
NUMBER OF DAYS WORKED PER YEAR	190
NUMBER OF WEEKS WORKED PER YEAR	50 - 51
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$16,050
SIX WEEKS ACCOUNTS RECEIVABLE	\$43,347
WHAT IS YOUR COLLECTION PERCENTAGE	99%
WHAT TYPE RECALL SYSTEM	3, 4 or 6 months
WHAT TYPE COMPUTER SYSTEM	Dentrix

WHAT % OF THE PRACTICE INCOME IS:		
	HYGIENIST PRODUCTION	49%
	OPERATIVE	24%
	PEDODONTICS	0%
	ORTHODONTICS	0%
	IMPLANTS	0%
	REMOVABLE PROSTHETICS	0%
	FIXED PROSTHETICS	24%
	ENDODONTICS	1%
	PERIODONTICS	1%
	ORAL SURGERY	0%
	COSMETIC	0%
	TMJ TREATMENT	0%
	SOFT TISSUE MANAGEMENT	1%
	OTHER	0%
	TOTAL	100%
MARKET FACTOR DATA		
EQUIPMENT FACTOR	SCALE 0% - 100%	50%
LOCATION DEMAND	SCALE 0% - 100%	85%
PLAN / MEDICAID PRACTICE %		1%
ANNUAL FEE INCREASE %		4%
ANNUAL OVERHEAD INCREASE %		4%
FEE SCHEDULE		
ADULT PROPHY 01110		\$62
GOLD INLAY 02540		
TWO SURFACE POSTERIOR COMPOSITE 02386		\$190
TWO SURFACE AMALGAM 02150		\$150
CORE BUILD-UP INCLUDING PINS 02950		\$180
GOLD / PORCELAIN CROWN 02750		\$1,040
ANTERIOR CANAL ROOT CANAL 03310		\$600
BICUSPID ROOT CANAL 03320		
LABIAL PORCELAIN VENEER 02962		\$1,000
AVERAGE OF FEES		\$460
PERCENT OF FEE PARITY		94%
DEMOGRAPHIC DATA		
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN		
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA		
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN		
MAJOR EMPLOYERS IN AREA		
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	\$34,211	Yes	1988
OFFICE MANAGER	\$ _____	_____	_____
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$31,867	Yes	1996
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$30,075	Yes	2004
HYGIENIST	\$13,230	Yes	1981
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER			
DESCRIBE FRINGE BENEFITS AND VALUE			
DO YOU HIRE ANY UNPAID FAMILY MEMBERS	Yes - Spouse		
DESCRIBE DUTIES	Fills in for receptionist as needed.		
ESTIMATED ANNUAL VALUE OF ABOVE			
PRODUCTION CENTERS			
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
ENTER YEAR	1-1-2010 TO 4-30-2010	2009	2008
GROSS PRODUCTION	\$79,487	\$243,250	\$224,911
HYGIENISTS	\$40,314	\$114,307	\$131,525
OWNER	\$39,173	\$128,943	\$ 93,386
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ENTER ASSOCIATE SALARY IN DOLLARS IF FIXED			
ENTER ASSOCIATE COMMISSION PERCENTAGE			
ENTER HYGIENIST SALARY IN DOLLARS IF FIXED			30075
ENTER HYGIENIST COMMISSION PERCENTAGE			
CONFORMITY DATA			
DOES YOUR PRACTICE MEET OSHA STANDARDS?	Not completely, but almost.		
WHY NOT	Working with Total Medical Compliance to meet standards		
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			