

The following statistics are based on assumptions that the subject practice will continue to be operated as it has been in the past. Variation from past performance are 1) increase in fees for each year; 2) no production increase occurs; and 3) overhead expenses increase each year. Fee and overhead increases are based on estimates of inflation and can be adjusted.

The purpose of this summary is to demonstrate the individual practice revenues and profitability of this particular practice.

PRACTICE FINANCIAL SUMMARY

AMOUNT OF INCOME PERSONALLY GENERATED BY PURCHASER **\$562,089**

COMPENSATION FOR PURCHASER FOR HIS/HER PRODUCTION.
 CONSIDER A GENEROUS COMMISSION RATE OF 35% **\$196,731**

NOW CONSIDER THE PRACTICE PROFIT. THIS IS AN AMOUNT OVER AND ABOVE THE COMPENSATION FOR PURCHASER'S PRODUCTION.

THE PROFIT IS THE BENEFIT OF OWNERSHIP OF THE PRACTICE. ONLY PRACTICE OWNERS REALIZE PRACTICE PROFIT.

IN THIS PRACTICE, THE PROFIT, AFTER ALL EXPENSES AND SALARY COMPENSATION TO THE PURCHASER IS PAID AMOUNTS TO **\$304,885**

THE PROFIT - NOT INCLUDING PURCHASER SALARY, DIVIDED BY THE TOTAL LOAN FOR THE PRACTICE PRICE AND WORKING CAPITAL, REPRESENTS THE RATE OF **54%**

TO COMPARE THIS OPPORTUNITY TO OTHER OPPORTUNITIES, WHETHER THEY ARE ASSOCIATESHIPS OR OTHER PRACTICES TO PURCHASE, LOOK AT SEVERAL KEY DATA POINTS. SUBJECT PRACTICE

1. HOW DOES THE ALTERNATIVE COMPARE WITH BEFORE TAX DOLLARS (AFTER DEBT SERVICE)	\$304,885
2. WHAT IS PERCENT OF PERSONAL PRODUCTION OF PRACTICE NET INCOME	54%
3. ARE THERE TAX SAVINGS AND EQUITY INCREASES FOR THE PURCHASER	\$47,097
4. TOTAL ECONOMIC BENEFIT - NET CASH FLOW (AFTER DEBT SERVICE), EQUITY, AND TAX SAVINGS	\$351,982
5. WHAT IS PERCENT OF TOTAL ECONOMIC BENEFIT VERSUS PURCHASER PERSONAL PRODUCTION	62.6%
6. BREAK-EVEN RETENTION PERCENTAGE	7%

Virginia Beach	Prosthodontics/General	
FINANCIAL DATA SUMMARY FOR PRACTICE	9189	10/16/2018 17:40

The following summary illustrates a projected year's income and expenses for the subject practice which incorporates an increase in fees and overhead expense but no increase in production. This summary is not a representation or warranty of future practice performance. Purchasers should obtain qualified legal and accounting counsel prior to any purchase decisions. **NOTE: Practice price does not include accounts receivable.**

PRACTICE INCOME

EXPECTED GROSS COLLECTIONS			\$624,544	100.0%
HYGIENE COMPONENT			\$62,454	10.0%
DENTIST COMPONENT			\$562,089	90.0%
RETAINED SELLER				
ASSOCIATE				
PURCHASER			\$562,089	90.0%

VARIABLE EXPENSES

WAGES, PAYROLL TAX, ETC.			\$98,507	15.8%
LABORATORY			\$84,895	13.6%
CLINICAL SUPPLIES			\$60,507	9.7%
OTHER VARIABLE EXPENSE			\$9,593	1.5%
TOTAL VARIABLE EXPENSE			\$253,502	40.6%

FIXED EXPENSES

RENT				
PHONE, UTILITIES			\$3,000	0.5%
LEGAL & ACCOUNTING			\$3,500	0.6%
INSURANCE			\$1,500	0.2%
OTHER FIXED EXPENSE			\$12,141	1.9%
TOTAL FIXED EXPENSE			\$20,141	3.2%

PRACTICE DEBT SERVICE

INTEREST			\$15,416	2.5%
PRINCIPAL			\$30,600	4.9%
TOTAL DEBT SERVICE			\$46,015	7.4%

SUMMARY

EXPECTED COLLECTIONS			\$624,544	100.0%
EXPECTED EXPENSES			\$273,643	43.8%
PRACTICE DEBT SERVICE			\$46,015	7.4%
EXPCTD NET INCOME AFTER EXPENSES AND DEBT & PERCENT OF PERSONAL PROD.			\$304,885	54.2%
PURCHASER PRODUCED PRODUCTION			\$562,089	90.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$30,600	5.4%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$16,497	2.9%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$351,982	62.6%

THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:

PRACTICE SALES PRICE & PERCENT OF GROSS	\$340,000	56%
WORKING CAPITAL	\$30,000	
TOTAL PRACTICE LOAN	\$370,000	
PRACTICE LOAN INTEREST RATE	4.50%	
PRACTICE LOAN TERM IN MONTHS	120	
PRACTICE MONTHLY PAYMENT	\$3,835	7%

PURCHASER CASH FLOW CONSIDERATIONS

MONTHLY PRACTICE PAYMENTS	\$3,835	7%
ESTIMATED MONTHLY HYGIENE AND ASSOCIATE PROFIT	\$2,915	6%
PURCHASER SALARY BASED ON 35% OF PERSONAL PRODUCTION	\$196,731	
PRACTICE PROFIT - IN ADDITION TO PURCHASER SALARY	\$170,667	46%
TOTAL PURCHASER SALARY AND PRACTICE PROFIT	\$367,398	
LESS DEBT SERVICE FOR PRACTICE AND BULDING	(\$46,015)	
PURCHASER SALARY AND PROFIT AFTER DEBT SERVICE	\$321,383	

Virginia Beach
DATA SUMMARY FOR PRACTICE NUMBER 9189

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	1,400
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	\$3,000
PRICE PER SQUARE FOOT	\$25.71
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	Shared with building
PROXIMITY OF PARKING PLACES	Along side of building

TOTAL NUMBER OF EQUIPPED OPERATORIES 4

NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES

NUMBER OF OPERATORIES USED PRIMARILY BY DENTIST(S) 4

NUMBER OF OPERATORIES USED PRIMARILY BY HYGIENIST(S)

NUMBER OF UNPLUMBED AND EMPTY OPERATORIES

DO YOU OWN YOUR BUILDING? No

DO YOU WISH TO SELL THE BUILDING? No

WAS BUILDING APPRAISED?

WHEN?

APPRAISED PRICE

IF NOT APPRAISED, ESTIMATED BUILDING PRICE

IF NOT FOR SALE, MO. RENTAL AMOUNT

ANNUAL REAL ESTATE TAXES

ANNUAL REAL ESTATE INSURANCE COST

DATE OF LEASE i.e. "6/1/2016" January 1, 2013

DATE LEASE ENDS - i.e. "1/1/2020" January 1, 2018

RENEWAL OPTIONS

IS THERE AN OPTION TO PURCHASE?

BUILDING VALUE TO BE USED

PURCHASER MORTGAGE INTEREST RATE 6.00%

PURCHASER MORTGAGE TERM - YEARS 20

PURCHASER MONTHLY PAYMENT

PURCHASER CURRENT MONTHLY RENT

PRICE PER SQUARE FOOT

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE Retirement

DAYS/WEEK CURRENTLY WORKED 4.0

HOW MANY DAYS WOULD YOU PREFER TO WORK FOR BUYER

DESIRED WORK DAYS/WEEK 1ST YR

DESIRED WORK DAYS/WEEK 2ND YR

DESIRED WORK DAYS/WEEK 3RD YR

DESIRED WORK DAYS/WEEK 4TH YR

DESIRED WORK DAYS/WEEK 5TH YR

DESIRED WORK DAYS/WEEK 6TH YR

PRACTICE DATA	
MANAGEMENT CONSULTANT IN LAST 5 YRS? IF SO WHO?	No
RESULTS	
DESCRIBE INTERNAL MARKETING	None
DESCRIBE EXTERNAL MARKETING	None
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Yes, Insurance, older patients
LIST SEDATIONS USED - NITROUS, DOCS, IV SEDATION	None
IS YOUR PRACTICE MERCURY FREE - NO AMALGAM?	No
WHAT TYPE RECALL SYSTEM	Phone day before
WHAT TYPE COMPUTER SYSTEM	Softdent
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	60
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST(S)	14
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST(S)	8
HOW FAR AHEAD IS DENTIST SCHEDULED?	3 Weks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	6 Months
PRACTICE DATA	
% INCOME FROM CASH	100%
% OF PATIENTS PAYING CASH	100%
% INCOME FROM FEE FOR SERVICE INSURANCE	
% OF PATIENTS WITH FEE FOR SERVICE INSURANCE	
% PRACTICE INCOME FROM REDUCED FEE PLANS	
% OF PATIENTS WITH REDUCED FEE PLANS	
% PRACTICE INCOME FROM CAPITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME FROM REDUCED FEE PLANS	
% OF PATIENTS WITH REDUCED FEE PLANS	
SCHEDULING DATA	
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 - 5:00 PM
FRIDAY	Lab Work
SATURDAY	
SUNDAY	
OWNER HOURS WORKED PER WEEK	44
ASSOCIATE HOURS WORKED PER WEEK	
HYGIENIST HOURS WORKED PER WEEK	16
DENTIST PATIENT VISITS PER YEAR	
HYGIENE PATIENT VISITS PER YEAR	
NUMBER OF DAYS WORKED PER YEAR	208
NUMBER OF WEEKS WORKED PER YEAR	48
COLLECTION DATA	
WHAT IS YOUR COLLECTION PERCENTAGE	
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$42,000
WHAT IS YOUR PATIENT CREDIT BALANCE	
ACCOUNTS RECEIVABLES - CURRENT	
ACCOUNTS RECEIVABLES - 31-60 DAYS	
ACCOUNTS RECEIVABLE - 61-90 DAYS	
ACCOUNTS RECEIVABLE >90 DAYS	

WHAT PERCENTAGE OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	10%
OPERATIVE	10%
PEDODONTICS	
ORTHODONTICS	
IMPLANTS	10%
REMOVABLE PROSTHETICS	20%
FIXED PROSTHETICS	40%
ENDODONTICS	
PERIODONTICS	
ORAL SURGERY	
COSMETIC	10%
TMJ TREATMENT	
SOFT TISSUE MANAGEMENT	
OTHER	
TOTAL	100%
WHAT SERVICES ARE REFERRED OUT?	Perio, Oral Surgery, Endo, Pedo
REVENUES SOURCES	
IS ANY OF YOUR REPORTED INCOME FROM ANY OTHER SOURCE THAN PATIENT TREATMENT FROM THIS PRACTICE?	No
IF SO HOW MUCH IN CURRENT PERIOD?	
IF SO , HOW MUCH FOR LAST YEAR?	
IF SO HOW MUCH FOR THE PREVIOUS YEAR?	
WHAT IS THE SOURCE OF THIS OTHER INCOME?	
FEE SCHEDULE	
ADULT PROPHY 01110	\$75
TWO SURFACE ANTERIOR COMPOSITE 02331	\$220
CORE BUILD-UP 02950	\$320
CROWN - GOLD/PORCELAIN 02750	\$1,475
ANTERIOR CANAL ROOT CANAL 03310	\$105
PANORAMIC X-RAY 00330	\$231
TWO SURFACE POSTERIOR COMPOSITE 02392	\$1,475
CROWN - PORCELAIN CERAMIC 02740	\$1,485
LABIAL PORCELAIN VENEER 02962	
BICUSPID ROOT CANAL 03320	
AVERAGE OF FEES	\$673
PERCENT OF FEE PARITY	137%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	1,000,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	
MAJOR EMPLOYERS IN AREA	US Navy, Government, Tourism, Stihl Saws
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN DRAWING AREA	

STAFF DATA				
POSITION	YEAR HIRED	STAY	BENEFITS	ANNUAL SALARY AND/OR COMMISSION PERCENT
RECEPTIONIST				
OFFICE MANAGER	2015			\$45,034
INSURANCE				
OTHER FRONT DESK				
BOOKKEEPER				
ASSISTANT	1983			\$39,862
ASSISTANT				
ASSISTANT				
ASSISTANT				
ASSISTANT				
HYGIENIST	2011			\$6,153
HYGIENIST	2017			\$2,608
HYGIENIST				\$19,299
HYGIENIST				
LAB TECHNICIAN				
LAB TECHNICIAN				
ASSOCIATE				
ASSOCIATE				
ASSOCIATE				
WHAT BENEFITS DO YOU PROVIDE FOR THE STAFF?				
DO YOU HIRE ANY UNPAID FAMILY MEMBERS?				No
WHAT POSITION DO THEY HOLD?				
WHAT IS THE ESTIMATED MARKET VALUE OF THEIR JOB?				
THAN THE NORMAL SALARY FOR THEIR POSITION?				
WHAT POSITIONS AND WHAT IS AMOUNT OF OVER/UNDER				
COMPENSATION FOR EACH				
COLLECTION CENTERS				
PERIOD		1/1/2017 - 12/31/20	2016	2015
GROSS COLLECTIONS		\$606,353	\$705,692	\$695,764
OWNER COLLECTIONS		\$545,718	\$635,122	\$626,187
HYGIENIST COLLECTIONS		\$60,635	\$70,569	\$69,576
ASSOCIATE COLLECTIONS				
ASSOCIATE COLLECTIONS				
ASSOCIATE COLLECTIONS				
ASSOCIATE COLLECTIONS				
ASSOCIATE SALARY IN DOLLARS OR COMMISSION PERCENT				
HYGIENIST SALARY IN DOLLARS OR COMMISSION PERCENT				

CONFORMITY DATA	
DOES YOUR PRACTICE MEET OSHA STANDARDS? WHY NOT?	Yes
DOES YOUR PRACTICE MEET HIPAA STANDARDS? WHY NOT?	Yes
ANY DISCIPLINARY ACTION IN LAST 7 YRS? EXPLAIN	No
ANY PRACTICE LAWSUITS FILED IN PAST TEN YRS. EXPLAIN	No
DESCRIBE ANY HEALTH PROBLEMS WHICH WOULD AFFECT YOUR PRACTICE OF DENTISTRY?	No
INSURANCE EXPLANATION	
TOTAL EXPENSE FOR INSURANCE IN CURRENT PERIOD	\$3,652
HOW MUCH OF TOTAL IS FOR OWNER HEALTH INSURANCE?	
HOW MUCH OF TOTAL IS FOR STAFF HEALTH INSURANCE?	
HOW MUCH OF TOTAL IS FOR OTHER OWNER BENEFITS?	
HOW MUCH OF TOTAL IS FOR MALPRACTICE INSURANCE?	
HOW MUCH FOR TOTAL IS FOR BUILDING INSURANCE?	\$3,394
TAXES AND LICENSES EXPLANATION	
TOTAL EXPENSE FOR TAXES	\$26,326
HOW MUCH OF TOTAL IS FOR PAYROLL TAXES?	\$21,948
HOW MUCH OF TOTAL IS FOR STAFF PAYROLL TAX?	\$12,932
HOW MUCH OF TOTAL IS FOR OWNER PAYROLL TAX?	\$9,016
HOW MUCH OF TOTAL IS AD VALOREM (PRACTICE EQUIP)?	\$4,093
HOW MUCH OF TOTAL IS FOR REAL ESTATE TAXES?	
PENSION EXPLANATION AND 401k COMBINED	
TOTAL EXPENSES FOR PENSION PLAN	\$6,426
HOW MUCH OF TOTAL IS FOR STAFF	\$2,891
HOW MUCH OF TOTAL IS FOR OWNER?	\$3,536
BENEFITS EXPLANATION	
TOTAL EXPENSE FOR EMPLOYEE BENEFITS	
HOW MUCH OF TOTAL IS FOR STAFF?	
HOW MUCH OF TOTAL IS FOR OWNER?	
REDUCED FEE PLANS	
NAME OF PLAN	PAYS WHAT PERCENTAGE OF YOUR USUAL FEES
None	

DESCRIBE YOUR PRACTICE, STAFF, PATIENTS, COMMUNITY, AND PRACTICE PHILOSOPHY AND THE BEST STRENGTHS AND WORST WEAKNESSES OF YOUR PRACTICE:

I do the best dentistry I can do. Understand patients needs; prioritize when necessary. Explain treatment to patients; treat patients with difficult problems that I can manage. Show compassion and empathy toward my patients.