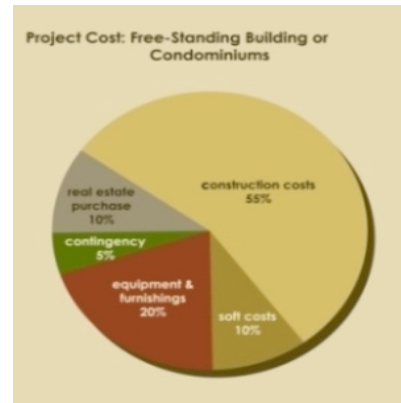


GROUND UP CONSTRUCTION EXAMPLE

Initial Cost Projection for 6 Operatory, General Dentistry Facility
 New Construction 3000 SF Building
 Upscale Aesthetic Development - \$190 per SF
 Site - 21,000 SF



CONSTRUCTION COSTS

3,000 S.F. at	\$ 110.00 /S.F. Dental Facility Finish Out	330,000
3,240 S.F. at	\$ 80.00 /S.F. Dental Facility Shell Cost	259,200
21,000 S.F. at	\$ 1.00 /S.F. Site Contingencies	21,000
	Signage, Site Lighting, Landscaping	<u>15,000</u>
	TOTAL	\$625,200

PDGFAZIO SERVICES

Programming, Site Investigation, Site and Floor plans
 Design Development Architecture
 Interior Design, Dental Design, Technology Integration
 Construction / Permit Documents, AOR Stamping
 Value Engineering and Construction Administration

	10% of construction costs	62,520
MEP Engineering	1% of c.c.	6,252
Civil Engineering	1% of c.c.	<u>6,252</u>
	TOTAL	75,024 12% of C.C.

ADDITIONAL SOFT COSTS

Legal and Accounting Fees		10,000
Construction Financing		<u>12,504</u>
\$ 625,200	6 Months 8.00%	
	TOTAL	\$22,504

CONTINGENCY FUND

2.00%	of construction costs	12,504
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EQUIPMENT AND FURNISHINGS

Dental Equipment	100,000	
Technology Systems Cabling and Infrastructure	50,000	
Furnishings and Artwork	<u>20,000</u>	
	TOTAL	\$170,000

LAND COST

\$210,000

LESS

Cash / Equity into Project	<u>\$200,000</u>
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TOTAL PROJECT COST **\$915,232**

MONTHLY DEBT SERVICE (Including Cash / Equity into Project)

Land, Construction Costs, Design Services and Soft Costs			
\$735,232	20 Years	7.00%	\$5,700 /mo.
Equipment and Furnishings			
\$ 170,000	10 Years	7.00%	\$1,974 /mo.

MONTHLY OPERATING COSTS

Utilities, Taxes, Insurance, and Maintenance			
\$ 10.00 /S.F./Yr. for	3,000 S.F.		\$2,500 /mo.

Total Monthly Operating Costs \$10,174 /mo.

MONTHLY PRODUCTION REQUIRED

TO SUPPORT NEW FACILITY RELATED COSTS 10,174 /mo.

FINANCIAL ANALYSIS

Minimum Qualifying Production Required in Current Facility \$50,870

New Facility Production Increase as a % of Current Production
 \$ 10,174 divided by \$50,870 20.00% *

PROJECTED MONTHLY PRODUCTION INCREASE VS. ROI

At 24 Months in New Facility		
\$50,870 current	35% increase	\$68,675
Additional Production Net		\$17,805
Facility Related Costs Net Increase		-10,174
Projected Non-Facility Related Overhead Increase		-6,232
Tax Advantage Offset in Facility Related Deductions		<u>5,742</u>
Monthly Return on Investment to Client @ 24 Months		\$7,141



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