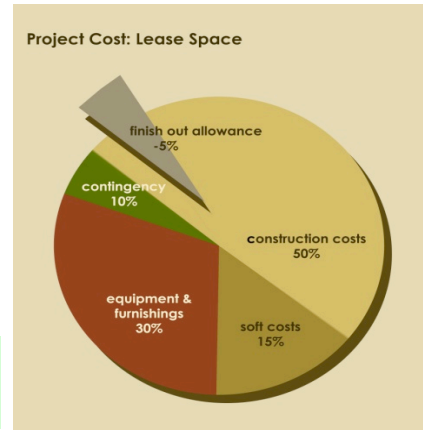


LEASE SPACE EXAMPLE

Initial Cost Projection for 6 Operatory, General Dentistry Facility
 New Construction 3000 SF Lease Space Finish Out
 Upscale Aesthetic Development - \$110 per SF



CONSTRUCTION COSTS (c.c.)

3,000 S.F. at	\$ 110.00 /S.F. Dental Facility Finish Out	<u>330,000</u>
TOTAL		\$330,000

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 33,000

MEP Engineering 2% of c.c. 6,600

TOTAL 39,600 12% of C.C.

ADDITIONAL SERVICES AND SOFT COSTS

Legal and Accounting Fees 5,000

Construction Financing 4,400
 \$ 330,000 4 Months 8.00%

TOTAL \$9,400

CONTINGENCY FUND

2.00% of construction costs 6,600

EQUIPMENT AND FURNISHINGS

Dental Equipment 100,000

Technology Systems Cabling and Infrastructure 50,000

Furnishings and Artwork 20,000

TOTAL \$170,000

LESS

Finish out allowance \$20 /SF 60,000

Cash and Equity into project 0

TOTAL PROJECT COST **\$495,600**

MONTHLY DEBT SERVICE

Construction Costs, Design Services and Soft Costs			
\$325,600	10 Years	7.00%	\$3,780 /mo.
Equipment and Furnishings			
\$ 170,000	10 Years	7.00%	\$1,974 /mo.

MONTHLY OPERATING COSTS

Rental Rate - Triple Net			
3420 /S.F./Yr. for		\$20 S.F.	5,700 /mo.
Utilities, Taxes, Insurance, and Maintenance			
\$ 10.00 /S.F./Yr. for	3,000 S.F.		<u>\$2,500</u> /mo.
Total Monthly Operating Costs			\$13,954 /mo.

MONTHLY PRODUCTION REQUIRED

TO SUPPORT NEW FACILITY RELATED COSTS 13,954 /mo.

FINANCIAL ANALYSIS

Minimum Qualifying Production Required in Current Facility		\$69,772
New Facility Production Increase as a % of Current Production		
\$ 13,954 divided by	\$69,772	20.00% *

PROJECTED MONTHLY PRODUCTION INCREASE VS. ROI

At 24 Months in New Facility		
\$69,772 current	25% increase	\$87,215
Additional Production Net		\$17,443
Facility Related Costs Net Increase		-13,954
Projected Non-Facility Related Overhead Increase		-6,105
Tax Advantage Offset in Facility Related Deductions		<u>7,021</u>
Monthly Return on Investment to Client @ 24 Months		\$4,404



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