

The minutes related to the March 9, 2000 Board of Directors meeting had not been prepared as of March 23, 2001. Therefore, we inquired of Brad Hale as to the topics discussed during the meeting. A brief outline of the meeting is detailed below:

- Audit Report by E&Y – Dick Dandurand announced his retirement to the board and introduced Jim Lamphron as the new coordinating partner of the engagement. Lamphron stated the audit was substantially complete and no significant audit differences had been found.
- Internal Audit Update – Greg Smith reviewed the prior year internal audit projects, as well as the upcoming schedule. Smith noted that there were no material findings during any of the work performed by IA during the prior year.
- Compliance Update – Brad Hale presented an update of the company's corporate compliance program. He discussed the statistics relating to the compliance hotline (no significant matters were presented). Hale also presented to the board the results of the prior year Pristine Audit projects.
- Financial Highlights – Bill Owens reviewed the financial statistics for the both the year ended and quarter ended December 2000. Owens discussed the implementation of FIN 44 and its effect on the company's earnings. Owens also reviewed the fiscal year 2001 budget.
- Treasury Update – Tad McVay presented more financial highlights of the company. He discussed 4th quarter earnings and how earnings fell in line with market estimates. McVay reviewed the changes in debt during the prior year. The liquidity summary was presented. Also, the 2003 financing plan was discussed.
- Chairman's Report – Richard Scrusy gave an overall review of the company. He discussed the strategic outlook of the company and steps necessary to reach its objectives.
- Warburg Dillon Read gave a presentation of recommendations regarding the company's debt and equity structure. Current trends in the market were discussed along with a dialogue of the healthcare industry.
- The presidents of the market lines reviewed operation highlights for the prior year.
- Development Update – Thom Carman gave a prior year update of all acquisitions and the current year strategy. He discussed international highlights and updated the board concerning the potential sale of Richmond and Doctors Medical Centers.
- Political Update – Eric Hanson of US Strategies gave an update of political issues related to the health care industry.
- It was announced that Jan Jones had resigned from the board of directors. Bill Owens was nominated and approved to serve as Jones replacement on the board of directors. Phillip Watkins replaced Jones on the compliance committee.