SUMMARY OF CASH FLOW PROVIDED AND USED BY OPERATIONS

Excess of Revenue(Expense) from Operations $ 2,637,136

Deduct Alliance lease deferred income - cash already received (418,776)

Add back non-cash expense of depreciation and amortization - no cash outlay
  Depreciation Expense 771,992
  Deferred Affiliation Expense 18,102
  Loan Forgiveness - Physician -

CASH FLOW FROM OPERATIONS $ 3,008,454

OTHER SELECTED CASH TRANSACTIONS

Cash Receipts
  Principal Reduction of Notes Receivable - Physician Notes $ 27,383
  Principal Reduction of Notes Receivable - Health Center 22,229
  Basis of Land Disposed of 1360 N McDowell 1,400,000
  Basis of PVH Carveout Property 10,000

Cash Outlay
  Southpoint Land Assessment Payments (1,628)
  Loans to SSCMG (100,000)
  Board Member (past & present) Health Benefits (52,500)
  Auto Loans Payment Principal Payments (34,740)
  Property, Plant & Equipment:
    Lifeline Equipment (178,000)
    Computer Upgrades (7,500)
  Investment Activity:
    Bank of Marin Portfolio (3,000,000)
    PVH Medical Office Building (1,000,000)

Cash Flow for Selected Transactions as Budgeted (2,914,756)

*** ESTIMATED INCREASE(DECREASE) IN CASH $ 93,698