

“The Mission of the Winnie-Stowell Hospital District is to attend to and balance the healthcare needs of the Community with fiscal responsibility”

**MINUTES OF THE EMERGENCY BOARD MEETING
OF THE BOARD OF COMMISSIONERS OF THE
WINNIE-STOWELL HOSPITAL DISTRICT**

An Emergency Meeting of the Board of Directors of the Winnie-Stowell Hospital District (“District”) was called at 4:00 p.m. on the 7th of December, 2014 at the Winnie Community Hospital-Conference Room, Broadway; Winnie, Texas pursuant to Section 551.045 of the Texas Gov’t Code because of an unforeseen situation. Notice of this meeting was duly filed and posted a full two (2) hours prior to the opening of the said meeting (a copy of said Notice being placed amongst the files of the District).

The roll was called of the members of the Board, to-wit:

Elroy Henry, Chair
Jeff Rollo, Vice-Chair
Sharon Burgess, Director
Edward Murrell, Director
Raul Espinosa, Director

All said Board members were present. In addition to the above named Board members, also present at the meeting were: Hubert Oxford, IV of the law firm Benckenstein & Oxford, LLP.; Sherrie Norris, District Administrator; Todd Beiderman with New Light Healthcare (via conference call); Clay Taylor with Kelly Hart, & Hallman (via conference call); Danny Thompson; Dan Yancy; and Lisa Simon.

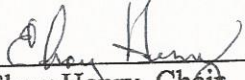
At approximately 4:05 p.m., a quorum was established and the Emergency meeting of the Board of Commissioners was convened. President Henry first addressed Agenda Item No. 1 and introduced the guest.

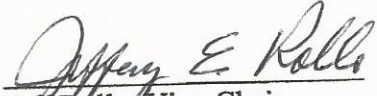
Prior to going into Executive Session, Attorney Oxford explained that there was an urgent public necessity to call this emergency meeting because the District needed time to continue to negotiate a possible settlement with the debtor in the IN RE: WINNIE COMMUNITY HOSPITAL, LLC; FRONTIER HEALTHCARE GROUP, LLC case prior to the January 16, 2013 hearing on 1) the Internal Revenue Services' (IRS) Motion to Relief from Stay and 2) Motion to Appoint a Chapter 11 Trustee; and 3) Debtors Motion for Approval of Its Disclosure Statement

Thereafter, at 4:09 p.m., President Henry called the Board into Executive Session to consult with attorney regarding settlement offer made as provided by Federal Rules of Evidence ("FRE") 408 in the pending litigation, IN RE: WINNIE COMMUNITY HOSPITAL, LLC; FRONTIER HEALTHCARE GROUP, LLC; Case No.: 12-46841-DML-11 in United States Bankruptcy Court for the North District of Texas, Fort Worth Division as permitted by Section 551.071 of the Texas Government Code. The Executive Session convened at 5:57 p.m.

Upon reconvening in Open Session, Director Espinoza then made a motion to give attorney Clay Taylor, bankruptcy counsel for the District, authority to continue confidential settlement negotiations, pursuant to FRE 408, with the Debtor in the IN RE: WINNIE COMMUNITY HOSPITAL, LLC; FRONTIER HEALTHCARE GROUP, LLC case; Cause No.: 12-46841-DML-11 in United States Bankruptcy Court for the North District of Texas, Fort Worth Division but any potential settlement reached would be subject to Board approval. This motion was seconded by Director Rollo

The Board meeting was adjourned at 5:48 p.m.


Elroy Henry, Chair


Jeff Rollo, Vice-Chair