

**“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 11:00 a.m) on the 22<sup>nd</sup> of January, 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; Clay Taylor with Kelly, Hart & Hallman; Mark Andrews, Trustee appointed by Bankruptcy Court; Todd Beiderman CEO of NewLight Healthcare; Mary Ellen Robertson, CPA; Scott Willis, Hometown Press; Lilton Sonnier; Hal Bolick; Dan Yancy; Danny Thompson; Jeff Jenkins; Derk Harmonson; David Murrell; James Stratton; Joannie Martinez; and Suggie Daigle.

At approximately, 11:20 a.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 guests.

Prior to the opening Mark E. Andrews introduced himself, he has been appointed by Bankruptcy Court as Trustee for Winnie Community Hospital. He is with Cox Smith Law Firm, based in San Antonio, Texas, and has been a Bankruptcy lawyer for thirty (30) years.

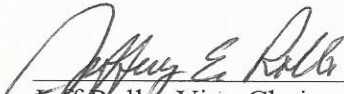
Following the opening and the introduction of guests, Mr. Henry asked the board to move to Agenda Item No. 2, discuss, consider and take action on Winnie Community Hospital, LLC; Frontier Healthcare Group, LLC; Case No. 12-46841-DML-11 in the United States Bankruptcy Court for the North District of Texas, Fort Worth Division as permitted by Section 551.071 of the Texas Code. Mr. Andrews then gave an overview of his role as the Trustee. As the Trustee, Mr. Andrews stated that his first order of business is to look at the financials, he has already spoken with Julie at the Hospital about the Hospital's finances and it is very bleak because the hospital has been running for a while at a deficit. As a result, Mr. Henry advised that the reason for the need for the emergency meeting was because the Hospital needs funds from the District immediately in order to be able to: (1) make payroll; (2) pay 941 Taxes that were overdue; (3) pay insurance premiums that were set to expire on February 1<sup>st</sup>, 2014. According to Mr. Andrews, the insurance premiums are about \$40,000.00 and other insurance that needs to be paid is also about \$40,000.00. There is an immediate cash need of about \$80,000.00. In addition, there is a 941 payment that has not been paid of about \$42,000.00 and needed to be paid immediately.

After lunch, President Henry called the Board into Executive Session at 1:00 p.m. pursuant to the Texas Government Code 551.071 to discuss the case of Winnie Community Hospital, LLC; Frontier Healthcare Group, LLC; Case No. 12-46841-DML-11 in the United States Bankruptcy Court for the North District of Texas, Fort Worth Division negotiations. The Executive Session ended at 2:05 p.m.

Upon reconvening in Open Session, Director Murrell then made a motion to allow President Henry to negotiate and guarantee for health for insurance, financing relating to property insurance and professional liability insurance of the Hospital, to have a cap of \$180,000.00 negotiation fee and execute documents pertaining thereto. This motion was seconded by Director Espinoza.

The Board meeting was adjourned at 2:10 p.m.

  
\_\_\_\_\_  
Elroy Henry, Chair

  
\_\_\_\_\_  
Jeff Rollo, Vice-Chair