

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
WINNIE-STOWELL HOSPITAL DISTRICT**

A Special Meeting of the Board of Directors of the Winnie-Stowell Hospital District ("District") was called at 6:13 p.m. on the 10th Day of March, 2014 at the Winnie Community Hospital-Conference Room Broadway, Winnie, Texas pursuant to a Notice under the Open Meeting Act duly filed and posted a full seventy- two (72) 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, President
Jeff Rollo, Vice-President
Sharon Burgess, Director
Edward Murrell, Director
Raul Espinosa, Director

All said Board members were present with the exception of Jeff Rollo and Sharon Burgess. In addition to the above named Board Members, also present at the meeting were: Sherrie Norris, District Administrator; Todd Beiderman, CEO of New Light Healthcare, and Lee Hughes of New Light Healthcare; Larry Barron; Danny Thompson; Derk Harmsen; David Murrell; Pierre Leger; Bobby Way; Jeff Jenkins; Yale Devillier; Wade Thibodeaux and Hubert Oxford, IV of the law firm Benckenstein & Oxford, LLP.

At approximately, 6:16 p.m., a quorum was established and the special meeting of the Board of Directors was convened. Following the introduction of guests, Chair Henry asked for Public Comment pursuant to Agenda Item No. 2. Larry Barron asked if the other members had any results or heard any feedback from the public positive or negative about the Public Forum was held on March 6 at the Winnie Community Building. Chair. Henry said that a couple of

people had said that they thought the Mark Andrews, (Trustee who was appointed by the Bankruptcy court), they thought he knew what he was talking about.

Following the introduction of guests and public, President Henry asked the Board to move to Agenda Item No. 3 to discuss, consider and take action on the recommendation of the Advisory Committee regarding their interviews with potential bidders. David Murrell stated the committee has interviewed four potential bidders and two (2) of which consisted of the same people but the Advisory Committee was unaware of this until after the second group scheduled a meeting with Chairman Murrell.

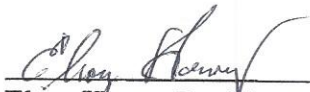
Chair Henry called the Board into Executive Session at 6:43 p.m. for the purpose of consultation with legal counsel pursuant to Chapter 551.071 of the Texas Government Code in regard to *In Winnie Community Hospital, LLC; Frontier Healthcare Group, LLC*; pending in the United States Bankruptcy Court for the North District of Texas, Fort Worth Division. The Executive Session ended at 7:38 p.m.

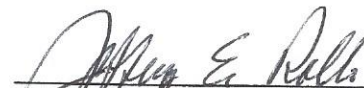
Upon reconvening in Open Session at 7:43 p.m., Chairman Murrell summarized the issues and discussed the pros and cons of the process as well as the different plans submitted by each group. Of the four groups, he stated that the Advisory Group could support three: Breakaway LLC; the Clarian Group; and Southeast Healthcare. The only group the committee would not advise the Board to consider is the People's Choice Group because they wanted to take credits and provide services and have the "District" pay the debts relating to the hospital bankruptcy. In addition, Committee was given a chance to review the District's proposed bid and give suggestions. Lastly, the Board and committee members discussed sending two people to the public auction in Dallas, Texas on March 19, 2014.

Following this Discussion, Director Murrell made a motion to approve Committee recommendations of supporting the Breakaway Group, LLC., Clarian Group and Southeast Healthcare and to support District's bid contingent upon changing the payout to a seven (7) year payout with potential for cash flow matrix. This motion was seconded by Director Espinosa, with the unanimous consent of all Board members present.

Then, Director Espinosa made a motion to send Director Murrell and Committee Chairman, David Murrell, to auction on March 19, 2014. This motion was seconded by Director Ed Murrell, with the unanimous consent of all Board members present.

There being no further business, the Board adjourned at 8:05 p.m.


Elroy Henry, President


Jeff Rollo, Vice-President