

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

A regular meeting of the Board of Directors of the Winnie-Stowell Hospital District ("District") was called at 6:33 p.m. on the 19th Day of March, 2014 at the Winnie Community Hospital-Conference Room Broadway, Winnie, Texas pursuant to a Notice under the Open Meetings Act duly filed and posted a full 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, Chair
Jeff Rollo, Vice Chair
Sharon Burgess, Director
Edward Murrell, Director
Raul Espinosa, Director

All said Board members were present with exception of Sharon Burgess and Ed Murrell, who were absent. Edward Murrell was at the Winnie Community Hospital bankruptcy auction. 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. Also present were Bobby Way, Larry Barron, Gloria Roemer and Danny Thompson.

At approximately, 6:33 p.m., a quorum was established and the regular meeting of the Board of Directors was convened. President Henry first addressed Agenda Item No. 1 and greeted the guests.

At 6:35 Chair Henry called the Board into Executive Session pursuant to Chapter 551.071 of the Texas Government Code regarding litigation, specifically the matter of *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 6:54 p.m. No action was taken.

Upon reconvening in Open Session, Chair Henry directed the Board members to Item 3 for public comment. Larry Barron asked if the Board knew where things stand with the bankruptcy auction of the hospital. Chair Rollo stated it is still in auction now and they do not know the status yet.

Chair Henry next asked the Board to move to Agenda Item No. 2 to review and approve Minutes for the following: February 19th Regular Meeting; February 26th Special Meeting March 6th Public Forum and March 10th Special Meeting. Director Raul Espinosa made a motion to accept the Minutes from the February 19th; February 26th; March 6th; and the March 10th meetings. This motion was seconded by Vice Chair Rollo with a unanimous consent of all Board members present.

Chair Henry then moved to Agenda Item No. 4 and asked the Board to consider and approve financial reports and take action for the payment of invoices. (*See Exhibit "A"*). Vice Chair Rollo made a motion to approve the financial reports and pay all financial invoices. This motion was seconded by Director Espinosa with a unanimous consent of all Board members present.

Next, Chair Henry addressed Agenda Item No. 5 on approving a resolution in support of the Hospital 1115 program. Attorney Oxford stated that is not necessary, as this was from the old February agenda and no action needed to be taken.

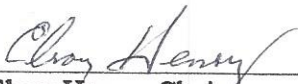
Chair Henry asked the Board to move to Agenda Item No. 6 on reports by (c) Gloria Roemer on the School Health Care Clinic. Ms. Roemer provided written reports (a copy of said Notice being placed amongst the files of the District). Ms. Roemer stated she met with Steve Gularte (CEO of Chambers Health) and Kaylee Smith (director of Chambers Health Centers). The two gave Ms. Roemer a tour of the health based clinic located in the back of the Anahuac Elementary School. She stated that Mr. Gularte advises if the District is serious, they need to

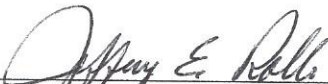
form a 501c(3) corporation separate from the District. This will allow the new entity to apply for more grants since District is limited in grants because it is a taxing entity. This clinic program could be self-sufficient and most major insurance and Medicaid would be accepted. Ms. Roemer will find out how many children they see on a regular basis and will report again next month.

At 7:23 Chair Henry called the Board back into Executive Session pursuant to Chapter 551.071 of the Texas Government Code regarding litigation, specifically the matter of *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 Board came out of Executive Session at 7:30 p.m.

Upon reconvening in Open Session, Director Espinosa made a motion to authorize \$500,000.00 to be added to the bid of Starco Management, L.P. for the purchase of the real property, including the hospital facilities, belonging to the Winnie Community Hospital. This motion was seconded by Vice Chair Rollo with a unanimous consent of all Board members present.

Chair Henry asked the Board to move to Agenda Item No.8 for setting date for future meeting. The date for the next meeting is Wednesday, April 16, 2014 at 6:30 p.m. Director Espinosa made a motion to adjourn and was seconded by Vice Chair Rollo with unanimous consent of all Board members present. There being no further business to come before the Board, the meeting was adjourned at 7:38 p.m.


Elroy Henry, Chair


Jeff Rollo, Vice-Chair