

**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 4:14 p.m. on the 28th Day of April, 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, Chair
Jeff Rollo, Vice-Chair
Sharon Burgess, Director
Edward Murrell, Director
Raul Espinosa, Director

All said Board members were present with the exception of Ed Murrell and Sharon Burgess who were absent. 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; Scott Willis, Hometown Press; Dirk Harmsen, Foundation; Bobby Way; Wade Thibodeaux, Neighborhood Net; Mary Ellen Robertson; Todd Beiderman CEO NewLight; Danny Thompson; James Stratton, foundation; Larry Barron; Mohmand Inram and Chris Portner, attorney for Starco.

At approximately, 4:14 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. 1. Dirk Harmsen stated the foundation is excited that the Hospital District is going to be working with the new owners of the Hospital.

Chair Henry then asked the Board to move to Agenda Item No. 2 to discuss, consider and take action on the status of the loans from financial institution located in Winnie, Texas. Chair Henry stated that Director Espinosa, Sherrie Norris and Mary Ellen Robertson and himself met

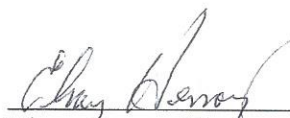
with three banks in Winnie. The banks were very cordial and they were good meetings. There were some questions or concerns on the divided interest (50%, 51% or 100%) of owning the hospital. Mr. Oxford stated he received an email from Tan Williams at East Chambers County Bank regarding the rates (1) 2 years at 1 1/2% (2) 3 years at 1.8% (3) 5 years at 2% and (4) 10 years at 4%. There was also some discussion as to the potential lien requirement and the ability of the District to obtain a loan based on the tax revenue.

Chair Henry called the Board into Executive Session with legal counsel pursuant to 551.071 Texas Government Code and discussion of real estate acquisition 551.072 of the Texas Government code at 4:22. Executive Session ended at 7:04 p.m. Prior to going into Executive Session, Mr. Oxford advised those in the Board room that the reason they needed to go into executive session was to negotiate the purchase of the Winnie Community Hospital from Starco and the terms of the agreement.

Upon reconvening in Open Session at 7:05 p.m., there was additional discussion regarding the loan, whether to secure loan with property or tax income, using local banks in Winnie, and preparing documents in preparation of obtaining loan. No action was taken at this time.

Director Roll made a motion to adjourn. This motion was seconded by Director Espinosa with the unanimous consent of all Board members present.

There being no further business, the Board adjourned at 7:45 p.m.



Elroy Henry, Chair



Jeff Rollo, Vice-Chair