

**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 4:07 p.m. on the 15th Day of May, 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, Dan Yancey, Suggie Daigle and Danny Thompson. There was no introduction of guests.

At approximately, 4:07, a quorum was established and the special meeting of the Board of Directors was convened. Chair Henry asked the board to move to Agenda Item 2 to discuss reviewing corporate documents pertaining to the In Re Winnie Community Hospital, LLC; Frontier Healthcare Group, LLC case pending in the United States Bankruptcy Court for the North District of Texas, Fort Worth Division. Attorney Hubert Oxford presented to each of the Board members (1) Organizational Minutes of the Board of Directors of Winnie-Stowell Health Services (2) Certificate of formation Non Profit Corporation; (3) Conflict of Interest Policy; and (4) Bylaws of Winnie-Stowell Health Services. Attorney Hubert Oxford then explained the

necessity of each of these documents for organizing a nonprofit organization in anticipation of the District's ownership of the Winnie Community Hospital.

Next Chair Henry asked the board to move to Agenda Item 3 on discussing the status of the loan to purchase the Winnie Community Hospital. Director Espinosa stated that East Chambers bank presented the best offer for the \$500,000.00 loan to acquire the Winnie Community Hospital. Mr Henry requested that Mary Ellen Robertson be present at the bank when they go to get loan. Director Ed Murrell made motion to accept and to finalize the loan with East Chambers Community Bank for \$500,000.00. This motion was seconded by Raul Espinosa. This motion was seconded by Raul Espinosa with the unanimous consent of all board members present

Chair Henry then asked the board to move to Agenda Item 4 to discuss any other matters before the board. (1) Dan Yancy stated they have a uncompensated care claim were the lady was indigent but did not qualify for the indigent care program and has since died. All medical would have been prior to the bankruptcy sell. Attorney Oxford stated that this request would most likely be the responsibility of the prior ownership and any payments to the Hospital would have to be approved by the Bankruptcy court and ultimately be given to the creditors, not the hospital. (2) Also Dan Yancey brought to the Board member's attention was a change order for \$854.00 from Chambers County regarding the Winnie Hospital improvements. (a copy of said bill is being placed amongst the files of the District). Sherrie Norris called DeDe Laskoskie regarding the above bill for clarification and DeDe stated she will get the additional information regarding that invoice and forward. (3) Mr. Henry presented an email he received from Judge Sylvia regarding the ARCIT/Chambers County Regional Summit, inviting the board members. (a copy of said email is being placed amongst the files of the District)

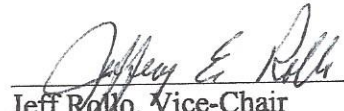
No action was taken at this time.

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

There being no further business, the Board adjourned at 4:45 p.m.



Elroy Henry, Chair



Jeff Rollo, Vice-Chair