

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS 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 11th Day of June, 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 the exception of Chair, Elroy Henry and Vice-Chair, Jeff Rollo. 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; Larry Barron and Gloria Roemer.

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

Next, Director Burgess asked the Board to move to Agenda Item No. 2 to review and approve Minutes for the following: May 22, 2014 Regular Meeting. Director Murrell made a motion to accept the Minutes for the May 22nd meeting. This motion was seconded by Director Raul Espinosa with unanimous consent of all Board members present.

Director Burgess asked the Board for public comment pursuant to Agenda Item No. 3 and on the list was Larry Barron and Gloria Roemer. Larry Barron asked about the meeting between the Winnie Community Hospital and Chambers Health or the Chambers County Public Hospital District No. 1 (CCPHD #1) and inquired on the status of the proposed FQHC that was being built inside the District's territory. Attorney Oxford advised that this would be discussed later in the meeting. Next was Gloria Roemer who states that her statement is about Item No. 8, that she had no idea about the meeting that Larry Barron referred to; but as somebody passionate about healthcare would encourage the Board not to consider "Chambers Health the enemy and the Board needs to see them as potential partners in anything we want to do within our hospital district. Following Ms. Roemer's comment the Board and Attorney Oxford attempted to explain to Ms. Roemer their reasons for concern as it relates to the construction of this FQHC inside of the District.

Next, Director Burgess asked the Board to move to Agenda Item No. 4 to review and approve financial reports and consider and take action on the payment of invoices. It was noted that Newlight did not send invoice for consulting fees-only for travel expenses and a meeting because Newlight is now affiliated with the Winnie Community Hospital. As of the time of the meeting the District had a cash balance of \$110,271.54 and \$381,342.30 in investments. However, once the accounts payable were paid in the amount of \$55,621.37, this would leave an ending balance of \$381,342.47. Please note, in between the time of the last meeting and this meeting, there was an intergovernmental transfer made in the amount of \$173,813.00 for the Winnie Community Hospital to receive Uncompensated Care Program funds. In addition, Attorney Oxford advised that the Bankruptcy Trustee was going to return \$100,000.00 loan we made within the next two (2) weeks. Therefore, as of this meeting, the District has satisfied its obligations to the hospital in the form of Indigent payments for the year 2014. Director Murrell made a motion

to approve the financial reports and pay the invoices. This motion was seconded by Director Espinosa with a unanimous consent of all Board members present.

Director Burgess then asked the Board to address Item No. 5 to consider, review and give approval to sign corporate documents pertaining to the In Re Winnie Community Hospital, LLC; Frontier Healthcare Group, LLC; Case No 12-46841-11 case pending in the United States bankruptcy Court for the North District of Texas, Fort Worth Division. This item is tabled.

The Board was then asked to table Agenda Item No. 6 to discuss and take action on possibly obtaining a loan to purchase the Winnie Community Hospital. According to Attorney Oxford, he had been working extensively with the Hospital owners on explaining why the District should not spend any money on the hospital and stated that he believed the new owners were still considering this recommendation.

Following, Director Burgess turned the Board's attention to Item No. 7, to discuss and consider taking action on the Nursing Home UPL program. Attorney Oxford stated that he received a call from Lee Hughes, with New Light, and was advised that they have secured another nursing partner for the District to be partner with on the Nursing Home UPL Program. The name of the new nursing home organization is Caring Healthcare. Attorney Oxford reminded the Board that they had already secured agreements with one nursing home organization for two nursing homes in Beaumont. This group has four (4) nursing homes that are in Marshall and Longview, Texas. Director Murrell made a motion to enter into a letter of intent with Caring Healthcare. This motion was seconded by Director Espinosa with a unanimous consent of all Board members present.

Director Burgess asked the Board to consider and take action, if necessary, Agenda Item No. 8 to adopting a position by the District in regard to the establishment of a Federally Qualified Health Clinic by Chambers County Public Hospital District No. 1 inside of the District's

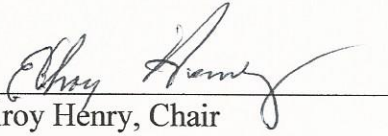
Boundaries. Attorney Oxford stated when he was advised by the Hospital's attorney, Chris Portner, that they had recently met with CCPHD #1 and reported that the group was very likeable and sincere when they say Chambers Health is not opening up a clinic inside of the District's Boundaries even though they have not stopped construction. Attorney Oxford advised that it was his opinion that the CCPHD #1's position was disingenuous and despite the repeated assurances that the facility was being stored on the property, their actions speak louder than words. Therefore, Attorney Oxford advised he was going to monitor this situation closely and would keep them up to speed on any developments.

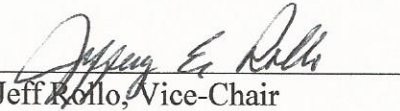
Director Burgess then address Agenda Item No. 9 Reports by District Administrator; and Gloria Roemer on the School Health Care Clinic. Sherrie Norris advised that she is speaking with the Chambers Court Clerk about the upcoming November election and those on the Board up for re-election were Directors, Sharon Burgess and Raul Espinosa. Both expressed a desire to apply for re-election of the 2014 ballot. Gloria Roemer then reported that since the report a couple of meetings ago she talked to Scott Campbell with East Chambers Independent School District (ECISD) who told her the school district was very much on board with the concept of the school based clinic. Attorney Oxford then advised that he too had talked to Mr. Campbell to give him an update on what was going on and requested a meeting to discuss a school based healthcare clinic. According to Attorney Oxford, Mr. Campbell was also amenable to the meeting after he explained the difference between the CCPHD #1 FQHC and the proposed school based FQHC.

Director Burgess then advised that there would be no Executive Session and requested that the Board move Agenda Item No. 10 regarding executive session to the bottom of each agenda.

Lastly, Director Burgess asked the Board to move to Item No. 11 to set the date of the next meeting. It was agreed upon by the Board that the next meeting would be for Wednesday, July 16, 2014 at 6:30 p.m.

Director Murrell made a motion to adjourn and the motion was seconded by Director Espinosa with a unanimous consent of all Board members present. There being no further business to come before the Board, the meeting was adjourned at approximately 7:36 p.m.


Elroy Henry, Chair


Jeff Rollo, Vice-Chair