

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

The Regular Meeting of the Board of Directors of the Winnie-Stowell Hospital District (“District”) was brought to order by Chair Henry called at 6:31 p.m. on the 17th Day of September, 2014 at the Winnie Community Hospital-Conference Room Broadway, Winnie, Texas pursuant to a Notice 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 Director Burgess. In addition to the above named Board Members, also present at the meeting were: Sherrie Norris, District Administrator; Hubert Oxford, IV, District Attorney, and Mary Ellen Robertson, the District’s Accountant/CPA, Danny Thompson, and Larry Barron.

At approximately, 6:31 a.m., a quorum was established and the meeting of the Board of ~~Commissioners~~ ^{Directors} was convened.

Chair Henry first asked the Board to address Agenda Item No. 3, public comment. During the public comment period, Danny Thompson advised the Board when a nurse practitioner working at the Winnie Community Hospital, Courtney Guillory was hired by Frontier, Frontier agreed to pay off her \$60,000.00 in student loans in four increments of \$15,000.00 per year. Because of the pending Frontier Bankruptcy, Frontier did not make the initial payment but Danny reported that he applied for a grant that paid this \$15,000.00. Now, the second payment of \$15,000.00 is coming due and Danny requested that the Board consider

making this payment as well as paying the balance of the loan until it is paid off in full. In response, Danny was asked by the Board to 1) provide confirmation that this was a request by the Winnie Community Hospital; and 2) if so, to provide further information at the next Board meeting.

Next, Chair Henry asked the Board to move to Agenda Item No. 2, to review and approve Minutes for the following meetings: August 20, 2014 Regular Meeting and the August 25, 2014 Special Meeting. Director Ed Murrell made a motion to accept the Minutes for the August 20, 2014 Regular Meeting minutes and the August 25, 2014 Special Meeting minutes. This motion was seconded by Director Raul Espinosa with unanimous consent of all Board members present.

Next, Chairman Henry asked that the Board return to Agenda Item No. 4, to consider and take action on financial reports and consider and take action on the payment of invoices and payment of bonds. The Board then reviewed the outstanding invoices and considered Administrator Norris's request to purchase a Netgear router as well as the financial reports submitted by Mary Ellen Robertson, CPA, as set forth in **Exhibit "A"**. Director Murrell made a motion to accept and pay all invoices and bills in **Exhibit "A"** plus authorized Administrator Norris to purchase a Netgear router. This motion was seconded by Director Espinoza with a unanimous consent of all Board members present.

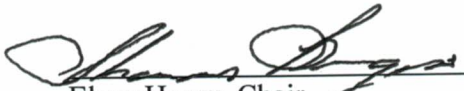
Afterwards, the Board was asked to turn their attention to Agenda Item No. 5, consider and take action on Nursing Home UPL and funding the Intergovernmental Transfers ("IGTs") to participate in the program. Attorney Oxford explained to the Board that he had two matters to discuss. The first was that a lender for the IGTs had been located and agreed to terms of a 2% initiation fee and an annual percentage rate of 6.5%. Oxford advised that there would need to be a special meeting between this meeting and the IGT transfer date for the Board to approve the loan documents. Next, Oxford advised the Board that the terms of the Management Agreement

for the six nursing Skilled Nursing facility was different than the Caring Healthcare Management Agreement because the terms of compensation for the Skilled facilities are more favorable to the District. In exchange, the District agreed to pay one-half of the initial transaction cost associated with the conveyance of these facilities to the District. Afterwards, Mary Ellen Robertson recommended the District establish more security measures for the thirteen (13) accounts set up at Wells Fargo to facilitate the terms of the Management Agreements with each of the nursing homes. Specifically, Mrs. Robertson suggested that there be a two signature require for any withdraw from these accounts and the only persons with authority to sign on the accounts be Board members. The Board asked Attorney Oxford and Administrator Norris to check with Wells Fargo to make these change.

Next, Chair Henry asked the Board to address Agenda Item No. 6, to consider approving the election documents for the November 4, 2014 Election documents. No action was taken because the election was cancelled but Administrator Norris requested that this Agenda Item stay on the agenda because further action will have to happen in the future.

The Board was asked to consider Agenda Item No. 7, to consider and discuss the status of the Federally Qualified Health Clinic by Chambers County Public Hospital District No. 1 inside the District's Boundaries. Attorney Oxford briefly discussed the appraisal by Jimmy Bishop, who had been asked to appraise the property for the District. Also, the Board received a status report by Director Murrell on the negotiations with the CCPHD No. 1. After receiving this report and recognizing it takes approximately two weeks get an appraisal, it was agreed that Murrell would continue his negotiations but if the transaction were to be completed, it needed to be done by the October 15, 2014 Regular Meeting. In addition, the Board agreed that it would beneficial to share its appraisal after the CCPHD No. 1 had its own appraisal completed.

The Chair asked the Board to address Agenda Item No. 8, to discuss and take action on reports but no reports were given and therefore, the Board was asked to move to Agenda Item No. 9, to set a date for the next meeting. It was agreed upon by the Board that the next meeting would be for Wednesday, October 15, 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 8:04 p.m.


Elroy Henry, Chair
Sharon Barges, Secretary


Jeff Rollo, Vice-Chair