

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE WINNIE-STOWELL HOSPITAL DISTRICT

The meeting of the Board of Directors of the Winnie-Stowell Hospital District (“District”) was noticed and filed pursuant to the Texas Open Meetings Act a full 72 hours prior to the opening of said meeting for 9:00 a.m. on the 28th of October, 2016 at the Winnie Community Hospital (“Hospital”) Conference Room, Broadway, Winnie Texas (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
Ed Murrell, Secretary
Sharron Burgess, Director
Raul Espinosa, Director

All said Board members were present. In addition, to the above named Board members, also present at the meeting was: Sherri Norris, Yani Jimenez, Indigent Care Director; and Hubert Oxford, IV, General Counsel; Tahar Javid, CEO of Riceland Hospital; Mo Danishmund, Chief Financial Officer for Riceland Hospital; Chris Portner, General Counsel for Riceland Hospital; Suggie Daigle, Riceland Hospital; and Dr. Zubair Ashfaq with Riceland Hospital as well as a number of other support staff for Riceland Hospital and citizens listed on **Exhibit “A”**.

At approximately 9:04 a.m., a quorum was established and Chairman Henry made introductions that were followed by a request for public comment. There being no public comment, Chairman Henry asked the Board to Chairman Henry asked the Board to address Agenda Item No. 5, to discuss and take action, if necessary on receiving confidential draft report from the Winnie Community Hospital regarding the Hospital’s Needs Assessment Study. Thereafter, Chairman Henry asked that the Board go into Executive Session at 9:07 a.m. pursuant to Section 551.085 to discuss Health Care Services. In addition, Chairman Henry

invited the following persons with Riceland Hospital into the executive session: Tahar Javid, Mo Danishmund, Chris Portner, Suggie Daigle, Dr. Zubair Ashfaq, Shawn Mohammad, Belinda Daniels, Sahab Jabbar, and Vanessa Vo. At 11:41 a.m., the Board returned from Executive Session, and took no action.

Following the Executive Session, Chairman Henry asked the Board to Agenda Item No. 3, to consider and take action on Review and approve financials report; payment of invoices, and amend budget, if necessary. Administrator Norris presented the Board with one invoice from Benckenstein & Oxford work performed in July 2016. *See Exhibit "B"*. After a discussion of the invoice, a motion was made by Director Espinoza to approve the payment of the Benckenstein & Oxford, LLP invoice. This motion was seconded by Director Espinoza and unanimously approved by all the Board members present.

Next, the Board was asked to turn to Agenda Item No. 4, to discuss and take action, to discuss and take action, if necessary, on authorizing the President to execute letter agreement with Neches Capital concerning Eligibility Period 2, 4th Quarter MPAP payment. Attorney Oxford reminded the Board that this Agenda Item was to be discussed at the October Regular Meeting but it was tabled in order to give the Board time to review the agreement. (*See Exhibit "C"*). According to Attorney Oxford, the purpose of the agreement is to get permission from the District's Lender, LTC Capital, Inc., to close its existing depository accounts for the Clairmont and Woodlands facilities and open new depository accounts for each facility that would be subject to Depository Account Control Agreements ("DACA") with a Lender for the Federal Housing Administration ("FHA"), and Wells Fargo. The District sought this permission because it is required by the Loan Agreements with LTC Capital, LLC for Loans 8 and 9. In exchange for giving consent, this agreement requires the District, within forty-eight (48) hours after the

implementation of a DACA Agreement impacting the depository accounts for either facility, to pay the unpaid balance of the average amount unpaid MPAP funds to either facility through direct deposit into the District's account at Interbank in Graham, Texas. At the conclusion of this explanation, Director Murrell made a motion to give President Elroy Henry permission to execute the Agreement with LTC Capital, LLC as set forth in **Exhibit "C"**. This motion was seconded by Director Espinoza and unanimously approved by all the Board members present.

There being no other business, Chairman Henry advised the Board that the next Regularly Scheduled Board meeting would be on November 16, 2016 at 6:00 p.m. At 11:45 p.m., a motion was then made by Director Espinoza to adjourn the meeting. This motion was seconded by Director Murrell, with the unanimous consent of all Board members.



Elroy Henry, Chairman



Jeff Rello, Vice-Chairman