

MINUTES FOR 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., August 27, 2021 at the District’s Offices located at 520 Broadway, Winnie Tx 77665 (a copy of said Notice being placed amongst the files of the District).

Members of the public were invited to attend and participate in the Winnie Stowell Hospital District Regular Meeting by conference call. In addition, a recording of the meeting will be made available following the meeting.

At approximately 9:02 a.m., the meeting was convened, and the roll was called of the members of the Board, to wit:

Mr. Ed Murrell	President
Mr. Anthony Stramecki	Vice-President
Robert “Bobby” Way	Treasurer
Jeff Rollo	Secretary
Kasey Vratiss	Director

All said Board members were present, except Directors Vratiss, thus constituting a quorum. In addition, to the above-named Board members, also present at the meeting were:

Mrs. Sherrie Norris	District Administrator
Mr. Hubert Oxford, IV	General Counsel for the District
Mr. Wade Thibodeaux	Texas Media, Inc.
Mr. David Smith	LTC Group

After the introduction of the guest, President Murrell called on those present to recite the Pledge of Allegiance and the Pledge of Allegiance to the State Flag of Texas. He then asked for Public Comment but there was none.

4. Discuss and take-action, if necessary, to purchase covid safety products to be distributed at the Texas Rice Festival.

The Board was first asked to consider the purchase of customized personal protective equipment (“PPE”) for the vendors and attendees of the Winnie Rice Festival. Given the timing of the event and the need to customize the merchandize, the main issues discussed were: 1) whether the PPE could be delivered timely; and 2) whether the District needed to get three (3) proposals

President Murrell then distributed the one proposal received from Texas Media, Inc., owned by Mr. Wade Thibodeaux. (See **Exhibit “A”**). According to President Murrell, the proposal was for \$29,600.00 and it included, among other things, 10,000 customized cotton reusable masks and 10,000 10 oz. customized bottles of citrus scented hand sanitizing gel. In response to questions of Mr. Thibodeaux, prior to placing any orders, he was going to get written confirmation from his vendors that the products included in his proposal would be delivered before the Festival.

Turning to the legal issue surrounding whether the District was required to get “competitive bids”, Attorney Oxford explained that Hospital Districts formed pursuant to Chapter 286 of the Texas Health and Safety Code, must follow the competitive bidding requirements in Chapter 271 of the Local Government Code, specifically Section 271.024 of the Local government Code, which provides that the competitive bidding laws of the State of Texas apply to contracts to purchase, construct, repair, renovate any property less than \$50,000.00. Next, Attorney Oxford reviewed the District’s Purchasing policy. In Section 6, the policy discusses purchases between \$5,000.00 and \$50,000.00. Per Subsection II, B, the policy provides that “[T]he Administrator and/or their authorized designee shall obtain, whenever possible, three (3) competitive quotations. The Administrator shall retain and have available documentation verifying each quotation. The Board Members maintain the authority to waive this requirement.” In summary, given the timing of the Festival and the need to purchase the PPE immediately, Attorney Oxford stated that the Board was authorized to utilize the bid of Texas Media, Inc.

After getting a second assurance from Mr. Thibodeaux that he would get verification that the items to be purchased would be delivered timely, Director Stramecki made a motion to authorize the purchase of PPE as set forth in **Exhibit “A”**. This motion was seconded by Director Rollo, and unanimously approved by all the Board members.

5. Discuss and take-action, if necessary, to authorize catering an employee appreciation lunch for the staff at Riceland Hospital for all their efforts in treating area Covid-19 patients.

Next, President Murrell asked the Board to consider the purchase of lunches for the Hospital staff and other emergency personnel in the District as a show appreciate for all their efforts during the current spike in Covid 19 cases. President Murrell suggested using local caters and providing lunches once a week for four (4) weeks.

Again, the Board agreed, and a motion was made by Director Stramecki to cater lunch at the Hospital and local emergency personnel once a week for four (4) weeks using local caters in order to show the District’s appreciation for treating the District’s residents during the current round of Covid 19 infections. This motion was seconded by Director Way, and unanimously approved by all the Board members.

6. Discuss and take-action, if necessary, to amend the 5th Amended Service Agreement with LTC Group to provide services on behalf of the District for eleven (11) new nursing homes from September 2021-August 2022.

President Murrell called on David Smith, with LTC to discuss the possibility of providing the services set forth in the Fifth Amended and Restated Service Agreement to the District for the eleven (11) new nursing facilities (“Facilities”) recently acquired through the *In Re Abri Health Services* bankruptcy proceeding.

Mr. Smith explained that typically, the District acquires a group of facilities in February through a Change of Ownership (“CHOW”) process and then enrolls the facilities into an Amended and Restated Service Agreement with LTC effective the

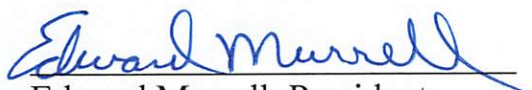
1st day of September. For example, in the most recent Service Agreement, the District acquired Silver Springs, Accel at College Station, and Cimarron Place in February of 2021 but they were included in the 5th Amendment to the Service Agreement in August 2021 and the District will be invoiced for these three (3) homes in September 2021.

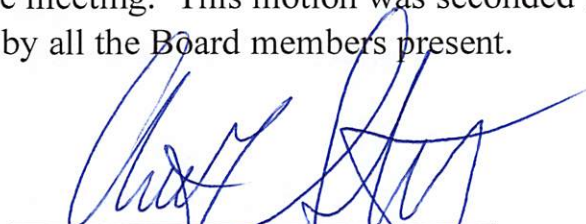
Unlike the typical situation, Mr. Smith explained, the District was going to take over the new Facilities in September, almost a year earlier than normal. As such, LTC wanted to offer their services for these facilities. In an effort to be a good partner, LTC offered to provide their services for these Facilities during the upcoming year for an amount the District believes is fair.

After some discussion on a fair value for these services, it was agreed by the Board and Mr. Smith that the District would pay LTC \$2,000.00 per month for each Facility from September 1, 2021 through August 31, 2022. In exchange, LTC would service these Facilities at the same level as set forth in the Fifth Amended and Restated Service Agreement. Attorney Oxford suggested entering into a Sixth Amended and Restated Service Agreement to memorialize the Agreement.

The Board and LTC agreed and thus, a motion was made by Director Stramecki to enter into a Sixth Amended and Restated Service Agreement whereby the Parties to the Agreement would include the Facilities and pay LTC \$2,000.00 per month for each Facility serviced. This motion was seconded by Director Way, and unanimously approved by all the Board members.

President Murrell then called for any other such matters before the Board. There being none, President Murrell told the Board that the District's next meeting was on September 15, 2021, at 6:00 p.m. Thereafter, at 10:04 a.m., a motion was made by Director Stramecki to adjourn the meeting. This motion was seconded by Director Way and unanimously approved by all the Board members present.


Edward Murrell, President


Anthony Stramecki, Vice-President