

MINUTES OF THE SPECIAL-CALLED MEETING OF
THE BOARD OF DIRECTORS OF THE
CITY OF SILOAM SPRINGS, BENTON COUNTY,
ARKANSAS, HELD JANUARY 26, 2009

The Board of Directors of the City of Siloam Springs, Arkansas, met in special-called session at the City of Siloam Springs Administration Building, January 26, 2009.

The meeting was called to order by Mayor Allen.

Attendance Roll Call:

Wasson, Smiley, Fuller, Turner, Wiles, Long – Present.

Nation – Arrived late.

Mayor David Allen, City Administrator David Cameron, City Clerk Peggy Woody, City Attorney Jay Williams, Police Chief Joe Garrett – Present.

Opening prayer was led by Mayor Allen.

Mayor Allen led the Pledge of Allegiance.

The only agenda item was the approval of transaction agreements with the Siloam Springs Memorial Hospital and Community Health Systems (CHS). A motion was made by Long and seconded by Fuller to approve the agreements. Cameron read the form of motion in full which states:

BE IT HEREBY MOVED, that that certain Asset Purchase Agreement and Agreement to Lease, dated February 1, 2009, by and among the City of Siloam Springs, Arkansas (the "City"), Siloam Springs Arkansas Hospital Company, LLC ("Buyer") and CHS/Community Health Systems, Inc. ("CHS"), and all exhibits thereto (the "Purchase Agreement"); that certain Lease Agreement by and between the City and Buyer, and all exhibits thereto (the "Lease Agreement"), that certain Ground Lease by and between the City and Buyer, and all exhibits thereto (the "Ground Lease") and all ancillary agreements (the Purchase Agreement, the Lease Agreement, the Ground Lease and the ancillary agreements are collectively referred to as the "Transaction Documents"), substantially in the forms previously submitted to the Board of Directors of the City (the "Board"), be, and the same hereby are, approved, and the City is hereby authorized to enter into and perform its obligations under the Transaction Documents;

BE IT FURTHER MOVED, that the Mayor of the City and the City Administrator (individually, an "Authorized Officer" and, collectively, the "Authorized Officers"), be, and each of them, acting singly, hereby is, authorized and directed to execute and deliver the Transaction Documents in the forms previously submitted to the Board with such changes, additions and deletions as any Authorized Officer shall approve, such approval to be conclusively evidenced by such Authorized Officer's signature thereto.

BE IT FURTHER MOVED, that the Authorized Officers of the City be, and each of them, acting singly, hereby is, authorized to execute and deliver, or cause to be executed and delivered, all such further agreements, documents, certificates or instruments, to take, or cause to be taken, all such further actions and to pay, or cause to be paid, all such expenses as any Authorized Officer may approve as necessary, advisable or appropriate in order to carry out the City's obligations under the Transaction Documents to consummate the transactions contemplated by the Transaction Documents, and to carry out any of the foregoing motions and to fully effectuate the purposes and intents thereof, the execution and delivery of any such agreements, documents, certificates or instruments, the taking of any such actions and the payment of any such expenses to be conclusive evidence of such approval and of the approval thereof by the Board.

BE IT FURTHER MOVED, that any and all action heretofore taken by any of the officers and directors of the City in connection with the matters approved in the foregoing motions, and any matters related or incidental thereto, are hereby ratified, confirmed and approved in all respects.

Mayor Allen noted Nation arrived. Cameron gave a summary of the proposed transaction agreements between the City and Community Health Systems(CHS). Long thanked Cameron and staff for making this new hospital possible. Tim Estes, president of the SSMH Governing Board, stated this has been a joint effort for a long time and thanked the Board of Directors and everyone involved. Cameron asked for questions and discussion by the Board. Tim Estes, president of Hospital Board, stated for the record that we did have a meeting with the president Michael Portacci, and he spoke regarding the governing of the new board for the Hospital and he indicated that there would be some if not all of our board and other citizens from Siloam Springs who would be a part of that board. And I just think that's important for the record for the checks and balances for the comfort level of our citizenary that with this size of transaction to know that I know they're going to take care of the financing and some of the compliance issues in house, but there will be some input from our citizens with regard to service and those kinds of issues. I thought that was note worthy. Cameron stated we will be spending about \$40,000 - \$50,000 for an audit of the Hospital. Cameron stated that approval of these documents is also approving the two parcels of land. This is part of the agreement. Cameron stated for the record that he was clear about the intent by approving these documents. A motion was made by Long and seconded by Smiley to approve an amendment to approve the purchase of the two parcels of land with this agreement. This was assigned Resolution No. 05-09.

Roll Call: (Amendment)

Wasson, Smiley, Fuller, Turner, Nation, Wiles, Long – Aye.

No Nay.

Seven Ayes. No Nays. Motion Carried.

Roll Call:

Smiley, Fuller, Turner, Nation, Wiles, Long, Wasson – Aye.

No Nay.

Seven Ayes. No Nays. Motion Carried.

Mayor Allen noted the reception for the two boards with CHS is February 2nd. Allen also stated this is a culmination of a great deal of hard work by the Hospital Board, David Cameron and Paul Calloway, and that we owe them a great deal of gratitude. Allen also noted an article in the newspaper about the West Siloam Springs meeting regarding comments by the Senator of Oklahoma about our EMS, and that he is wrong.

There being no other business to come before this Board, a motion was made by Long and seconded by Nation that this meeting be adjourned. A voice vote was called for on the motion, and it was approved unanimously.

APPROVED:

David Allen, Mayor

(SEAL)

ATTEST:

Peggy Woody, City Clerk, MMC