

Memorandum

To: Board of Managers
From: Jonny F. Hipp, Administrator
Date: November 4, 2015
Re: NCHD Appointment to Board of Trustees of CHRISTUS Spohn Health System Corporation for the Term of January 1, 2016 – December 31, 2018

This is to provide information relating to the upcoming vacancy that will occur on the CHRISTUS Spohn Health System Corporation Board of Trustees (“Spohn Board”) on January 1, 2016 for which the Nueces County Hospital District’s Board of Managers (“Hospital District Board”) will need to make an appointment.

Pursuant to Article IV, Section 4.01(b) of the CHRISTUS Spohn Health System Membership Agreement between the parties the Nueces County Hospital District (“Hospital District”) has a right to appoint three (3) members to the Spohn Board and CHRISTUS Health has a right to appoint twelve (12) members. The Hospital District’s appointees serve staggered three-year terms and the next Hospital District appointee’s term will commence January 1, 2016 and end December 31, 2018. The Nueces County Commissioners Court (“Commissioners Court”) nominates the persons considered by the Hospital District Board toward appointment to the Spohn Board.

The incumbent Hospital District appointee to the Spohn Board whose term will expire on December 31, 2015 is **Mr. Tony LaMantia**. The incumbent was initially appointed to the Spohn Board in early 2011 to fill an unexpired term then ending December 31, 2012. He was subsequently reappointed in late 2012 to a full three-year term expiring December 31, 2015. The incumbent has recently submitted materials to Commissioners Court for their consideration for nomination to the Hospital District Board for reappointment to the Spohn Board for the three-year term January 1, 2016 – December 31, 2018. Additionally and importantly, I understand from CHRISTUS Spohn’s management that the incumbent is presently Chairman-Elect of the Spohn Board and will become the Spohn Board Chairman for the 2016 year to begin January 1, 2016.

Considering the incumbent’s support for his original appointment, past reappointment success, past service, and now being the incoming Chairman of the Spohn Board, there is a high likelihood that he will again be nominated by Commissioners Court for the Hospital District Board’s consideration toward appointment to the Spohn Board for the three-year

term beginning January 1, 2016. Relatedly, I understand that Commissioners Court will have on its upcoming November 18, 2015 meeting agenda an item relating to a nomination to the Hospital District's Board for its consideration toward appointment to the Spohn Board for the three-year term beginning January 1, 2016.

Considering the above and therefrom reasonably assuming Commissioners Court's nomination of the incumbent, to facilitate Spohn's Board member preparation processes, and to eliminate the need for a later related single-purpose Hospital District Board meeting, I propose that the Hospital District Board consider one of the following two options for potential action at its November 12, 2015 meeting with regard to the upcoming Spohn Board vacancy above-described:

1. Consider presumptive nomination of the incumbent and appoint the him to the Spohn Board for the three-year term commencing January 1, 2016, with said appointment subject to the Hospital District's receipt of Commissioners Court's nomination of the incumbent; or alternatively,
2. Delegate to and authorize the Hospital District's Administrator to appoint, on behalf of and at the direction of the Board, the incumbent to the Spohn Board for the three-year term commencing January 1, 2016 upon the Hospital District's receipt of Commissioners Court's nomination of the incumbent.

In the event the incumbent is not nominated by Commissioners Court, the Hospital District Board should, for clarity, additionally consider at its January 12, 2015 meeting pre-ordering revocation of the incumbent's appointment if option #1 above is adopted by the Board. In the case of adoption of option #2 above by the Hospital District Board, the Administrator simply would not appoint the incumbent if Commissioners Court does not nominate him.

Please call or write if there are any questions or additional information is needed.

Johnny F. Wipp