

**North Sunflower Medical Center  
Board of Trustees  
Called Teleconference Meeting Minutes  
April 29, 2020**

**BE IT REMEMBERED** that the Chairman and the Board of Trustees of North Sunflower Medical Center, Ruleville, Sunflower County, Mississippi, met for a Called Meeting via Teleconference on Wednesday, 29 April 2020, at 9:00 A.M. when and where the following were present on the call:

Billy Joe Waldrup, Chairman and Trustee; H.T. Miller, III, Vice Chairman and Trustee; Bobbie Bounds Allen, Secretary and Trustee; Willie M. Burton and Phil McNeer, Trustees; Billy Marlow, Executive Director; Daniel Ceja, CEO/Administrator; Sam Miller, COO; Rodney Clark, Chief Administrative Officer; Arie Chandler, Administrative Assistant; Sandra Britt, Administrative Assistant; and Lawson Holladay, Esquire.

Mr. Billy Joe Waldrup called the meeting to order at 9:00 A.M. and turned it over to Daniel Ceja. Daniel explained that there was only one item for discussion at this meeting: Approval to apply for a Payroll Protection Program (PPP) Loan, established by the CARES Act, through the Small Business Association (SBA) and Planters Bank & Trust to receive relief funding during the COVID-19 Pandemic. Daniel explained that NSMC initially did not qualify for this loan because we had over 500 employees but since that time the 500 employee limit has been waived. The loan amount is based on our payroll and will be \$4.3 Million. Daniel explained that although this is a loan, it is in currently in Congress with high probability to be forgiven. After six months, if the loan is not forgiven, NSMC will be required to pay it back in monthly installments. The money received from the loan will go into the general operating account.

After discussion, and on Motion of Phil McNeer, Seconded by H.T. Miller, III, and unanimously approved the Resolution attached hereto was adopted.

With there being no further business to discuss, the Board adjourned at 9:17 A.M. subject to the call of the Chairman.

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Billy Joe Waldrup, Chairman

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Bobbie Bounds Allen, Secretary

RESOLUTION OF THE BOARD OF TRUSTEES OF  
NORTH SUNFLOWER MEDICAL CENTER

The members of the Board of Trustees of North Sunflower Medical Center (“Hospital”), a Mississippi community hospital formed under the laws of the State of Mississippi, as codified in Title 41, Chapter 13 of the Mississippi Code of 1972, as amended, having assembled at an emergency meeting and waived notice for the reasons set forth below, do hereby adopt the following Resolution in the name of and on behalf of the Hospital’s Board of Trustees (the “Board”) at the meeting:

WHEREAS, the Board has reviewed the on-going emergent situation with the COVID-19 virus, the demands it is placing and is expected to continue to place on the Hospital and its resources available to address the pandemic crisis and the other healthcare needs of the population in Hospital’s service area. The Board finds that those demands have strained and will continue to strain the financial resources of the Hospital such that the Hospital may not have adequate funds and other resources available to address the healthcare needs of the population in Hospital’s service area. In order to protect the solvency of the Hospital and to assist the Hospital’s efforts to address the healthcare needs of the population in Hospital’s service area, the Board finds that it is necessary to pursue all available sources of funding for Hospital operations;

WHEREAS, pursuant to the CARES Act, passed into law and signed by the U.S. President on March 27, 2020, as interpreted by regulatory guidance from the U.S. Small Business Administration (the “SBA”), the Hospital qualifies for a Payroll Protection Program SBA loan under Section 1102 of the CARES Act, to assist with payment of

Hospital payroll costs, rent, utilities and interest expense (the “SBA Loan”), provided the Hospital meets certain of the requirements of Sections 115 and 501(c)(3) of the Internal Revenue Code (“IRC”) as set forth in the SBA’s answer to Question No. 42 in the Paycheck Protection Program Loans Frequently Asked Questions for the SBA Loan, published May 3, 2020. The Board has determined that it is in the best interest of the Hospital to move forward with applying for and securing the SBA Loan and to execute all applications and other loan documents necessary to secure the SBA Loan for the Hospital as soon as possible.

WHEREAS, the Board finds and resolves as a long-established fact that Hospital is a community hospital under Mississippi law and as such is a governmental entity, specifically a political subdivision of the State of Mississippi, and is exempt from federal income taxation under Section 115 of the IRC. The Board further finds and resolves that the Hospital is an organization described in IRC 501(c)(3) as a category of organization exempt from taxation under IRC Section 501(a), though the Hospital has not sought to be recognized by the Internal Revenue Service under IRC 501(c)(3) because Hospital is fully tax-exempt under IRC Section 115.

WHEREAS, the Board further finds and resolves that Hospital meets the requirements of IRC Section 501(c)(3) to the extent required by the SBA for Hospital to qualify for the SBA Loan, because, among other things: (1) Hospital is organized and operates exclusively for purposes of public health and safety for the benefit of the citizens of Hospital’s service area, including substantial amounts of charity care provided to patients without the ability to pay for Hospital’s services, including, but not limited to, care made available through Hospital’s emergency department; (2) no part of Hospital’s net

earnings is allowed to inure to the benefit of any private shareholder (although the Hospital has no shares or shareholders as a political subdivision of the State of Mississippi) or individual; (3) no substantial part of the Hospital's activities consists of carrying on propaganda or otherwise attempting to influence legislation; and (4) the Hospital does not participate in, or intervene in, any political campaign on behalf of (or in opposition to) any candidate for public office.

IT IS THEREFORE RESOLVED BY THE BOARD, by unanimous consent of the Trustees, that, based on the factual findings and resolutions above, Hospital is eligible for the SBA Loan and Hospital's Administrator is authorized to certify Hospital's eligibility on the SBA Loan application form and any related documents, based on the findings in this Resolution.

IT IS FURTHER HEREBY RESOLVED, by unanimous consent of the Trustees, that the Hospital shall move forward with applying for and securing the SBA Loan from the Hospital's existing lender (or such other lender as may be necessary in order to secure the SBA Loan), and the Hospital's Administrator or his designee designated to act on his behalf if he is unavailable, is hereby authorized to execute and deliver on the Hospital's behalf any and all SBA Loan application documents and SBA Loan documents, including notes and security agreements, necessary to secure the SBA Loan and the funds flowing therefrom. This Resolution includes authority for the Hospital's Administrator, or his designee designated to act on his behalf if he is unavailable, to execute any resolution document required by the lender in conjunction with the SBA Loan and consistent with the

terms of this Resolution.

BOARD OF TRUSTEES OF NORTH SUNFLOWER MEDICAL CENTER

By: Billy R. Williams, DIRECTOR

By: H. T. Miller, DIRECTOR

By: Colleen Bond Allen, DIRECTOR

By: William Burton, DIRECTOR

By: Phil McKeen, DIRECTOR

By: \_\_\_\_\_, DIRECTOR

By: \_\_\_\_\_, DIRECTOR

ATTEST:

Colleen Bond Allen, SECRETARY