

Statement Required by Section 2254.1036(a)

2254.1036(a)(1)(A) – *The reasons for pursuing the matter that is the subject of the legal services for which the attorney or law firm would be retained and the desired outcome of pursuing the matter.*

Midland Memorial Hospital has viable claims against its insurer concerning damages received during a severe thunderstorm that occurred on or about April 23, 2019, and other claims arising therefrom. The damaged facilities are covered under an insurance policy (the “Policy”) with Zurich (the “Insurer”). Thus far, Insurer has failed to honor its obligations under the Policy and has paid only a fraction of what is rightfully owed. Midland Memorial Hospital will pursue claims against its Insurer including unfair settlement practices and breach of contract with the desired outcome being recovery of costs and expenses needed to make all necessary repairs.

2254.1036(a)(1)(B) – *The competence, qualifications, and experience demonstrated by the attorney or law firm selected.*

Midland Memorial Hospital has selected William Sudela, Esq. to represent it in this matter. Mr. Sudela is Board Certified in Residential and Commercial Real Estate Law. He has extensive construction law experience. He has served on the Board of Directors of the State Construction Law Section of the State Bar Association and served as the President of the Construction Law Section of the Houston Bar Association. Mr. Sudela’s experience makes him uniquely and fully qualified to represent the Hospital in this matter.

2254.1036(a)(1)(C) – *The nature of any relationship, including the beginning of the relationship, between the political subdivision or governing body and the attorney or law firm selected.*

There is no relationship, outside of representation in this case and a construction-related case, between Midland Memorial Hospital and Mr. Sudela or his law firm of Crady, Jewett, McCulley & Houren, LLP. Midland Memorial Hospital first engaged Mr. Sudela in the fall of 2021 to consult on pre-litigation issues associated with the hail damage and construction defect matters.

2254.1036(a)(1)(D) – *The reasons the legal services cannot be adequately performed by the attorneys and supporting personnel of the political subdivision.*

This matter is complex and will require the resources of a law firm to handle the extensive discovery, expert witnesses and trial witnesses. It is anticipated the legal pursuit of damages owed to Midland Memorial Hospital will take an extensive amount of legal resources and expertise in construction-related claims. The Hospital’s General Counsel simply does not have the bandwidth to devote to a complex case that will likely span years given her other duties and responsibilities at the Hospital including contract management and legal oversight of all daily matters.

2254.1036(a)(1)(E) – *The reasons the legal services cannot be reasonably obtained from attorneys in private practice under a contract providing for the payment of hourly fees without contingency.*

This case will involve a multitude of experts, extensive discovery and could take years to complete. Without the ability to reduce the up-front out of pocket expenses that a contingent arrangement would allow, the Hospital would be unwilling and unable to allocate its monetary resources to fund litigation of

this size. By entering into the proposed contingent arrangement, the Hospital is able to retain top-tier counsel to aggressively pursue its damages while reducing its upfront costs. By entering into a solely hourly fee arrangement, the Hospital would have to compromise on attorney expertise, which would undoubtedly diminish the likelihood of success. The Hospital is confident this proposed arrangement will yield a greater financial benefit to the Hospital than retaining outside counsel with a lower hourly rate and less practical experience.

2254.1036(a)(1)(f) – *The reasons entering into a contingent fee contract for legal services is in the best interest of the residents of the political subdivision.*

The proposed arrangement allows the Hospital to obtain top-tier counsel with a depth of construction-related knowledge. The Hospital would be unable and unwilling to pay the chosen attorneys' hourly rate. Accordingly, by entering into this arrangement, the Hospital is able to reduce its out of pocket expenses while maximizing its opportunity to obtain the highest recovery possible.