

Notice to the Public
Pursuant to Texas Government Code Section 2254.1036

The Board of Directors of the Anson Hospital District (the "District") may enter into contingent fee contracts for legal services only if it holds an open meeting for purposes of considering and approving the items listed below and the contract. Pursuant to Texas Government Code Section 2254.1036, the District provides the following written notice to the public:

1. The reasons for pursuing the matter that is the subject of the legal services for which the contracting attorney and/or law firm would be retained and the desired outcome of pursuing the matter are as follows:

Response: The purpose of the proposed agreement is to pursue recovery of unpaid property damages and losses, and to pursue all remedies available to the District regarding property damage against T&T Roofing LLC and Cary Services, Inc. arising out of water damage to the Anson Family Wellness Clinic caused on or about May 1, 2024, involving the property located at 215 N Avenue J, Anson, Texas 79501. By way of this proposed agreement, the District will seek to recover damages, court costs, penalties, and other relief under Texas statutory and common law. The proposed agreement would enable the District to retain and utilize the services of an experienced law firm with no up-front cost other than actual expenses, with no risk of incurring legal fees if the efforts prove to be unsuccessful. The District's Board of Directors believe that the pursuit of these property damages is a reasonable and prudent protection of the District's assets.

2. The competence, qualifications, and experience demonstrated by the attorney or law firm with whom the District desires to contract is as follows:

Response: Lundquist Law Firm PLLC ("LLF") is a Texas based law firm with offices in Houston and Dallas specializing in representing institutional and commercial policyholders in first party insurance litigation and general commercial liability coverage matters and is fully qualified to represent the District in this matter. LLF regularly represents commercial policyholders in litigation and arbitration involving all types of real estate structures, including schools, hospitals, hotels, office and industrial buildings and other construction. William Lundquist began his career at a Texas based global law firm defending insurance companies in property & casualty cases involving bad faith insurance claims and unfair settlement practices in disputed commercial insurance property claims. He founded LLF in 2017, and currently represents policyholders in over \$50 million in insured losses. LLF has decades of experience handling insurance recovery matters, beginning with claim damage evaluation, pre-litigation negotiations, legal analysis, discovery, motion practice, mediation, litigation, arbitration and appeals. Mr. Lundquist and his partners and colleagues collectively possess decades of experience handling high value commercial insurance litigation and arbitration, and the firm possesses the competence, specialized experience, and resources to represent the District in this matter.

Woellner Law Group, PLLC ("Woellner") is a Texas law firm specializing in representing policyholders in first party insurance litigation and general commercial liability coverage matters, including construction defects and insurance recovery, and is fully qualified to represent the District in this matter. Woellner regularly represents commercial and private property owners in matters of this type. Andrew Woellner began his career at a large Texas law firm defending insurance companies in property & casualty cases involving bad faith insurance claims and unfair settlement practices in disputed commercial insurance property claims, then moved to a firm to exclusively represent policyholders in 2014. Andrew founded

Woellner in 2023 and has practiced law for over fifteen years. He has extensive experience handling construction and insurance matters, beginning with pre-litigation analysis and advice, insurance coverage, and continuing through mediation and litigation or arbitration, and ending with final appellate resolution as may be necessary. Woellner possesses the competence, specialized experience, technology, resources and infrastructure to represent the District in this matter.

3. The nature of any relationship, including the beginning of the relationship, between the District and the contracting law firm is as follows:

Response: The District would be a client of LLF and Woellner pursuant to the contingency fee agreement. LLF and Woellner would review the applicable contracts, investigate the claims at issue, validate the claims, and pursue all available legal remedies to collect on the property damage to the Anson Family Wellness Clinic. Neither LLF nor Woellner have previously represented the District on a contingency fee arrangement or in any capacity. Both LLF and Woellner have, and continue to represent, claimants with competence and professionalism for recovery of damages provided for under Texas statutory and common law.

4. The reasons the legal services cannot be adequately performed by the attorneys and supporting personnel of the District is as follows:

Response: The District has no in-house legal staff and its outside legal counsel does not provide this service. Further, the District lacks the financial resources to support this type of litigation on its own. LLF and Woellner have the legal and financial resources to pursue such litigation. The specialized legal services, advancement of expenses, and compensation on a contingent fee basis required by this agreement cannot be performed by the attorneys and supporting personnel of the District because the District does not currently employ attorneys who have specialized knowledge and experience regarding property insurance coverage analysis or general commercial liability coverage, including any legal remedies under Texas law, on a contingent fee basis. In addition, the District does not have budgeted the financial resources necessary to compensate competent and experienced attorneys and staff regarding property insurance law and general commercial liability coverage issues as District employees or to reasonably compensate a firm in private practice with the necessary experience under a contract providing for payment on an hourly basis without contingency.

5. The reasons the legal services cannot be reasonably obtained from attorneys in private practice under an hourly fee contract without a contingency is as follows:

Response: See response to Item Number 4. Due to the complexity of the matter and expected difficulties in performing the legal work for this matter, the expected risk of no recovery, the expected expenses, including expert witness fees and other litigation costs, a reasonable hourly fee for a firm in private practice to prosecute this matter would exceed the amount for which the District would be able to adequately budget and expend financial resources. The District also does not have the financial resources required to pay the additional, significant costs of implementing appropriate infrastructure and technology necessary to fully and properly perform the needed legal services. The District also does not have the financial resources required to properly pursue its claims and causes of action, including to retain independent experts as testifying witnesses and to finance all costs of litigation through final resolution of the matter. Additionally, many law firms that handle large, complex matters strictly on an hourly basis have institutional clients, including insurance companies, large construction companies, and adjusting or third-party administrations; and it would be difficult to find a firm that does not have a conflict of interest

that would hinder the firm's ability to effectively represent The District. The proposed law firms have certified that they have no such conflict of interest in representing The District. The legal services cannot be reasonably obtained from attorneys in private practice charging hourly fees without contingency because a contract to pay attorneys on an hourly basis without contingency would represent an additional and significant cost to the District. Furthermore, the District would be responsible for payment of all costs and expenses of the litigation through appeals, including to retain independent experts as testifying witnesses and to finance all discovery expenses and other costs of litigation through final resolution of the matter. The District does not have the financial resources necessary to pay for these additional and significant expenses necessitated by the specialized insurance recovery matter.

6. The reasons that entering into a contingent fee contract for legal services is in the best interest of the residents of the District is as follows:

Response: LLF and Woellner will be compensated on a contingent fee basis. Entering into the proposed agreement is in the best interests of the District. The District's clinic has sustained significant damages to property paid for through taxpayer monies and grants, and for which there exists a potential recovery from those causing the damages. LLF and Woellner possess the specialized skills, knowledge, experience, financial, and technological resources needed to competently and fully pursue maximum potential recovery of the District's damages. Furthermore, the proposed agreement enables the District to pursue its legal remedies without diverting essential monies and resources from the ongoing needs and operations of its patients, staff, and community at large. In addition, the proposed agreement shifts the financial risk and burden of litigation costs and expenses to LLF and Woellner, with the District owing no such monies to the law firms unless and until they recover monies. Moreover, Texas statutory and common law provide for recovery of court costs, and for recovery of attorneys' fees for certain of the District's claims, including for breach of contract.

Additionally, time is of the essence in the provision of these legal services. The extensive damages and the necessary repairs to the interior of the District's clinic are currently preventing the use of the entire facility and the operations of the District's clinic have been severely affected. The entirety of these damages remain unpaid by the potential defendants. Further, the District requires legal counsel and related expert consultant services to further the documentation of damages prior to conducting repairs necessary to appropriately re-occupy the damaged facilities and fully open the District's facilities and operations.