

NUECES COUNTY HOSPITAL DISTRICT

Briefing Memo

SUBJECT: General Counsel Services Agreement - John B. Martinez / Martinez Reilly, PLLC

DOCUMENTS REVIEWED: June 1, 2024 Letter Agreement; Amendment No. 1; Amendment No. 2

Purpose

To summarize the District's General Counsel services agreement with John B. Martinez and Martinez Reilly, PLLC, and the two subsequent amendments extending the agreement through May 31, 2027.

Background

On June 1, 2024, the Nueces County Hospital District entered into a Letter Agreement with John B. Martinez and Martinez Reilly, PLLC for General Counsel services. The original term ran from June 1, 2024 through May 31, 2025 and permitted renewal for additional terms by written agreement of the parties.

Amendment No. 1, effective June 1, 2025, extended the expiration date for an additional twelve months, through May 31, 2026, and provided that all other provisions of the original agreement remained unchanged.

Amendment No. 2, effective June 1, 2026, extends the agreement for another twelve-month term, through the close of business on May 31, 2027. Amendment No. 2 likewise provides that all other provisions of the parties' agreement remain the same.

Agreement Summary

Provision	Summary
General Counsel	John B. Martinez / Martinez Reilly, PLLC
Original Agreement	June 1, 2024 - May 31, 2025
Amendment No. 1	Extended term through May 31, 2026
Amendment No. 2	Extended term through May 31, 2027
Monthly Retainer	\$5,000, non-refundable
Annual Retainer Equivalent	\$60,000 for a full 12-month term
Termination	Either party may terminate upon 30 days' written notice
Expenses	Reasonable Firm expenses are reimbursable by NCHD, subject to prior authorization

Scope of Services

The Firm is engaged to assist and advise the District in connection with its operations. The stated scope includes legal advice; drafting and reviewing legal documents; negotiations; legal research; representation in certain proceedings; monitoring statutory and regulatory compliance and ethical conduct; and representation of District interests as directed from time to time by the Board of Managers' designee and/or the Administrator/Chief Executive Officer.

The scope also includes attendance at regular and special Board and Board Committee meetings, meetings and conferences with executive management staff as requested, and other services needed by the District. Meetings are to be in person or as otherwise directed.

The agreement expressly excludes representation in litigation or otherwise contested matters. Representation in such matters may be negotiated separately if requested by the District. The scope may also be adjusted periodically based on District needs by written agreement of the District and the Firm.

Client and Representation

The client is the Nueces County Hospital District, including its Board of Managers and executive management staff acting in their official capacities. The Firm is not retained to represent individual Board members or executive management employees in their non-official capacities.

Compensation and Expenses

John B. Martinez is identified as the principal attorney. The District pays a monthly non-refundable retainer of \$5,000, due on the first of each month. The agreement states that the retainer covers all work requested by the District during the month and is intended to assure the Firm's availability. For a complete twelve-month renewal term, the stated monthly retainer equates to \$60,000.

The Firm is also entitled to reimbursement for reasonable expenses related to the engagement, including items such as court costs, deposition costs, and travel incurred during the representation. The agreement requires prior authorization from the District before such expenses are incurred. Statements for fees and expenses are provided monthly, and payment is due within fifteen days after receipt unless other arrangements are made.

Term and Renewal History

- June 1, 2024: Original General Counsel Letter Agreement commenced.
- May 31, 2025: Original stated expiration date.
- June 1, 2025: Amendment No. 1 became effective and extended the agreement through May 31, 2026.
- June 1, 2026: Amendment No. 2 became effective and extended the agreement through May 31, 2027.
- May 31, 2027: Current expiration date under Amendment No. 2.

Effect of Amendment No. 2

Amendment No. 2 changes the term of the agreement only. It extends the expiration date through May 31, 2027 and expressly states that all other provisions of the original agreement remain the same. Accordingly, the existing scope of services, \$5,000 monthly retainer, expense provisions, renewal mechanism, and 30-day termination provision continue without change under the documents reviewed.

Key Considerations

- The current amendment provides continuity of General Counsel services for the twelve-month period ending May 31, 2027.
- No change in the \$5,000 monthly retainer is stated in either Amendment No. 1 or Amendment No. 2.
- The base agreement permits either party to terminate the engagement on 30 days' written notice.
- Litigation and other contested matters remain outside the stated General Counsel scope and may require a separate negotiated engagement.
- Reimbursable expenses remain separate from the monthly retainer and require prior District authorization.
- Any future extension beyond May 31, 2027 would require written agreement of the parties under the renewal provision.

Conclusion

The documents establish a continuous General Counsel engagement beginning June 1, 2024. Through two successive written amendments, the original agreement has been extended without other stated changes, with the current term running through May 31, 2027. The principal economic term remains a \$5,000 monthly non-refundable retainer, with separately reimbursable, preauthorized expenses, and either party retains the right to terminate the agreement upon 30 days' written notice.

Source: General Counsel Letter Agreement dated June 1, 2024; Amendment No. 1 effective June 1, 2025; and Amendment No. 2 effective June 1, 2026.