

CAUSE NO. 48292

RENE FFRENCH,	S	IN THE DISTRICT COURT
JOHN RICHARD DIAL,	S	
STUART BRUCE SORGEN,	S	
Individually and as Representatives	S	
of WINDERMERE OAKS WATER	S	
SUPPLY CORPORATION	S	
<i>Plaintiffs</i>	S	33RD JUDICIAL DISTRICT
	S	
V.	S	
	S	
FRIENDSHIP HOMES &	S	
HANGARS, LLC, and WINDERMERE	S	BURNET COUNTY, TEXAS
OAKS WATER SUPPLY CORPORATION,	S	
and its Directors WILLIAM EARNEST	S	
THOMAS MICHAEL MADDEN,	S	
DANA MARTIN, ROBERT MEBANE,	S	
PATRICK MULLIGAN, JOE GIMENEZ,	S	
DAVID BERTINO, MIKE NELSON,	S	
DOROTHY TAYLOR, NORMAN MORSE	S	
<i>Defendants</i>		

ORDER

Came on to be Considered Defendants' Pleas to the Jurisdiction, and Motions for Summary Judgment described in the Parties' Supplemental Joint Status Report, as modified by the January 23, 2020 Rule 11 Agreement. Further, Came on to be Considered Defendants' Joint Objections to Plaintiffs' Summary Judgment Evidence. Having Considered said Motions, Plaintiffs' Responses, and Defendants' Replies, the Court Rules as follows:

MOTIONS FOR SUMMARY JUDGMENT

1. Defendant Windermere Oaks Water Supply Corporation's and its Directors' First Amended Joint Motion for Summary Judgment is Hereby **DENIED.**
2. Defendant Friendship Homes and Hangars, LLC's Motion for Summary Judgment is Hereby **DENIED.**
3. Defendants' Joint Objections to Plaintiffs' Summary Judgment Evidence are Hereby **DENIED.**

PLEAS TO THE JURISDICTION

All Parties agree and stipulate that Plaintiffs have standing to bring suit against Defendants under the following statutes:

A. Texas Business Organizations Code sec. 20.002(c)(1) (authorizing suit by a Member against a Corporation to enjoin the performance of an act or the transfer of property by or to the Corporation);

B. Texas Business Organizations Code sec. 20.002(c)(2) (authorizing claims by the Corporation, acting through Members in a representative suit, against current and former officers and directors of the Corporation for exceeding their authority);

C. Texas Business Organizations Code chapter 22, subchapter J (authorizing suit to determine the validity or effectiveness of any corporate act or ratification).

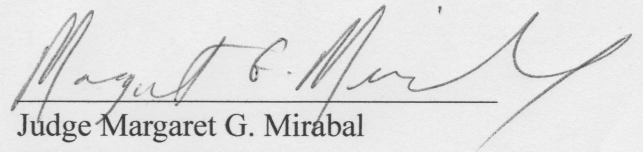
With regard to Defendants' Pleas to the Jurisdiction, the Court Rules as follows:

1. To the extent Defendants' Pleas to the Jurisdiction are based on the ground that Plaintiffs lack standing to bring suit as individuals seeking individual damages against the current and former officers and directors of Defendant Windermere Oaks Water Supply Corporation, the Pleas to the Jurisdiction are Hereby **GRANTED** as to that ground.

2. To the extent Defendants' Pleas to the Jurisdiction are based on the ground that Plaintiffs lack standing to bring a Representative Claim on behalf of the defendant Windermere Oaks Water Supply Corporation that is outside the scope of the grant of standing by Texas Business Organizations Code sec. 20.002(c)(2), the Pleas to the Jurisdiction are Hereby **GRANTED** as to that ground.
3. To the extent Defendants' Pleas to the Jurisdiction are based on the ground that Plaintiffs cannot assert claims of breach of fiduciary duty, constructive fraud, and other theories in pursuit of claims brought pursuant to Texas Business Organizations Code, secs. 20.002 (c)(1) and (c)(2), and Chapter 22 subchapter J, the Pleas to the Jurisdiction are Hereby **DENIED** as to that ground.

IT IS SO ORDERED.

SIGNED this 24th Day of February, 2020.


Judge Margaret G. Mirabal
Presiding Judge