

The Directors have personal liability for all damage incurred by the Owners as a result of the 2016 fire sale and the Board's acts and omissions since that time; they cannot avoid that liability via a "settlement" with Martin made in the name of the Cooperative. The Board's latest attempt to foreclose the Owners from the relief to which they are entitled is just as much a breach of fiduciary duty and a fraud as all the attempts that have preceded it.

V.

Venue

5.01 Venue is appropriate in Burnet County, Texas because the WSC and most of the individual Defendants reside in Burnet County and all or a substantial part of the events or omissions giving rise to Plaintiffs' claims occurred in such County.

VI.

Factual Background

A. *Ownership of the Assets and Revenues of a Cooperative is Vested in its Member/Customer Owners.*

6.01. The WSC is organized under Chapter 67 of the Texas Water Code as the instrumentality that operates the Windermere Oaks water supply and sewer service cooperative ("Cooperative"). The Cooperative is Member-owned and Member-controlled and enables the Owners to provide themselves with service pursuant to Certificates Number 12011 and 20662 (collectively, the "CCN") within the service area described in the CCN. Membership in the Cooperative is a condition of eligibility to become a Customer; all Owners are Members.<sup>5</sup>

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<sup>5</sup> The WSC's Membership records for the past several years have been requested in formal discovery.

6.02. Pursuant to its governing documents, the WSC has the powers invested in a water supply or sewer service corporation by art. 1434a (now Chapter 67) that are not inconsistent with IRC § 501(c)(12) governing utility cooperatives and “like organizations.” Implicitly, then, the WSC does not possess any powers a 501(c)(12) Cooperative cannot exercise. In recognition of its function as an agency/instrumentality, the WSC’s powers are also expressly limited. Both the certificate of formation and the bylaws provide that the WSC has no power to engage in activities or use assets in a manner that is not in furtherance of the legitimate business of a “water supply cooperative” or “sewer service cooperative.”

6.03. A Cooperative under § 501(c)(12) is a unique form of business enterprise. Unlike a typical corporate enterprise, in which investors own an entity that in turn owns the means of production, in a Cooperative the Owners acquire and own the means of production used to provide themselves with goods or services. The assets used in the enterprise and the profit those assets generate are owned by the Owners, not in proportion to their ownership of capital but in proportion to their level of involvement in the enterprise, or patronage. The Cooperative operates at cost so that its patrons obtain the services for the lowest possible price; revenues that are not needed for operations must be returned or credited to the Owners annually.

6.04. A Cooperative under § 501(c)(12) must keep records of account reflecting each Owner’s ownership interest in the assets of the enterprise.<sup>6</sup> Upon dissolution, the remaining assets must be distributed to the Owners who own them. The WSC’s governing documents include such a provision. To obtain a state ad valorem tax

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<sup>6</sup> The WSC’s records of account have been requested through formal discovery. Since each Owner’s ownership interest is based on patronage, the amount of each Owner’s interest is unique.

exemption, the governing documents also provide that the Owners will in turn distribute the assets received in dissolution to a charitable entity. It has been held that such a provision does not divest or impair the Owners' ownership interest while the Cooperative is in operation.

6.05. A Cooperative under 501(c)(12) is required to distribute or allocate excess revenues (i.e., excess of revenue, including capital gains, over expenses) annually to the Owners who own them.<sup>7</sup> This is done based on each Owner's level of patronage during that year. Distributions of income are made in the form of patronage dividends. Excess revenues may be retained in a reserve for reasonable needs of the enterprise, but retained earnings are still owned by the Owners and must be allocated to each Owner's account in the Cooperative's records. The WSC's governing documents include these provisions.

6.06. A Cooperative under § 501(c)(12) is operated through an instrumentality, such as an association, a corporation or an LLC, for the benefit of the Owners. The instrumentality is authorized to operate the assets for benefit of the Owners in pursuit of the Cooperative purposes but not otherwise. The instrumentality collects the revenues as a conduit for the Owners. As stated above, however, the entity does not own the means or proceeds of production. That the assets and revenues of the Cooperative enterprise are owned by the Owners and not by the entity that operates them is considered one of the "basic and distinguishing" features of a Cooperative.

6.07. The instrumentality (i.e., the WSC) is not a stakeholder in the Cooperative enterprise. It is prohibited from the pursuit of profit. It cannot operate at a loss; the

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<sup>7</sup> By statute, a Texas cooperative cannot pay dividends while it has outstanding debt. However, the Cooperative's obligation to pay dividends to the Owners is nondiscretionary.

Owners are required to make up any shortfall through increases in rates and fees, assessments or otherwise. This further illustrates why the Directors duties vis-à-vis the Cooperative enterprise and the assets used to operate it run to the Owners, and not to the entity.

6.08. A Cooperative under § 501(c)(12) must be democratically controlled. The Owners themselves must periodically assemble in democratically controlled meetings where each has one vote only. They deal personally with matters affecting the conduct of the cooperative. The WSC's governing documents include such provisions.

6.09. Democratically elected Owners manage the affairs of the Cooperative enterprise as its Board of Directors. The WSC's governing documents include such provisions. The Board has a legal duty to the Owners to preserve and maintain the Cooperative assets in proper working order, to upgrade them as needed, to use them efficiently in furtherance of the purposes of the enterprise, to prevent or avoid waste and to secure the highest price obtainable for assets that are no longer needed for Cooperative purposes.

6.10. The WSC's governing documents prohibit the use or disposition of the Owners' assets in any manner or for any purpose other than to operate a water and sewer Cooperative for the benefit of the Owners.<sup>8</sup> The WSC Board has no power to authorize or approve any prohibited use or disposition of a Cooperative asset.

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<sup>8</sup> The WSC may not actually qualify for exemption under § 501(c)(12) because of the way its Boards do business. By way of example, the current and prior Boards have caused the WSC to collect "stand-by fees" from non-patrons. These fees amount to more than 15% of the WSC's total annual income and likely do not constitute "patronage-sourced income." Those Boards have nevertheless reported the WSC as a tax-exempt entity. The powers of the WSC and its Board are prescribed under § 501(c)(12) regardless how it actually does business.

6.11. Pursuant to Section 67.004, Tex. Water Code, the Texas Non-Profit Corporation Act (“Non-Profit Act”) applies to the WSC to the extent it does not conflict with the provisions of Chapter 67 or the WSC’s governing documents.

*B. Management of the Cooperative Assets by the Board of Directors*

6.12. The Cooperative’s operations and assets are managed by a Board of Directors elected by and from the Owners. Day to day operations are carried out by Officers elected by the Board from among its Directors. At all times relevant hereto, the Board was comprised of five (5) Directors. The WSC’s Officers included the President, Vice President and Secretary-Treasurer.

6.13. The Directors and Officers have the fiduciary duties of an agent/manager. The Non-Profit Act requires that each Director and Officer shall discharge these duties in good faith, with ordinary care, and in a manner reasonably believed to be in the best interest of the Owners of the Cooperative enterprise.

6.14. The Board can “act” only by public majority vote at an open meeting at which a quorum is present. All Board meetings must be held in compliance with the Texas Public Information Act (“TPIA”). Notice of all regular and special Board meetings must be posted in accordance with TPIA.

6.15. The Secretary-Treasurer has a duty to cause TPIA-compliant notices to be posted for all Board meetings, to attend all Board meetings and to create a complete and accurate record of all votes and actions. Once approved by the Board, those records become, and must be maintained as, permanent records of the WSC.

*C. Limitations on Power to Convey Cooperative Real Property*

6.16. The power to convey real property interests held in WSC’s name is expressly limited to furtherance of the interests of the Cooperative enterprise. The

Board cannot approve or effectuate any conveyance that is contrary to this expressed limitation. The Board has no power to give away a valuable Cooperative asset or to transfer it for a fraction of its market value. To the contrary, in keeping with its agency/managerial role the Board has a duty to secure the highest price obtainable for assets that are no longer needed for Cooperative purposes.

6.17. Under the Non-Profit Act, the power to convey real property interests in the WSC's name is triggered only when such conveyance is authorized by "appropriate resolution" of the Board. The Board can only approve or adopt a resolution by majority vote at a duly noticed open meeting and otherwise in compliance with the WSC's governing documents and applicable law.

6.18. The Directors have no power to authorize, approve or acquiesce in any conveyance of real property or other transaction that is adverse to the interests of the Owners. A transfer of property for a fraction of its market value for the benefit of a sitting Director is an example of an adverse transaction.

6.19. A transaction between the organization and a sitting Director is presumptively adverse. The Board has the power to authorize such a transaction only by valid Board action upon fulfillment of several special conditions. Such special conditions include the Board's receipt of full disclosure by the interested Director of his/her interest in all aspects of the transaction and a determination by a majority of disinterested Directors made in good faith that the transaction is fair to the organization and is in the organization's best interests. The WSC's conflict-of-interest document for 2016 imposes the additional condition that the minutes of the Board meeting at which action is taken must reflect the interested Director's disclosure and a statement that the

Board was aware of the conflict of interest and nevertheless decided the transaction was fair to the WSC and was in the WSC's best interests.

6.20. The Owners have the right, and its Directors have the duty, to rescind any unlawful approval and to prevent and/or annul any conveyance or transaction made pursuant to such unlawful approval. Directors who unreasonably delay or refuse to take such steps breach their duty to act with ordinary care and in a manner reasonably believed to be in the best interest of the enterprise. Their misconduct, however, does not estop the Owners from recovering their property or its value.

*D. Limitation on Power to Fund Defense Costs for Unfaithful Fiduciaries.*

6.21. The Board has no power under the WSC's governing documents to indemnify a current or former Director or Officer or to advance or reimburse attorneys' fees or other expenses incurred by current or former Director or Officer who is named as a party in a legal proceeding.

6.22. The Non-Profit Act confers limited authority for the WSC Board to advance or reimburse reasonable expenses incurred by a current Director or Officer who is named as a party in a proceeding in advance of final disposition of the case, but only upon strict compliance with the requirements of that Section.

6.23. The Non-Profit Act does not authorize advancement of litigation expenses for former Directors or Officers in those capacities under any circumstances.

*E. The Board's Ultra Vires and Otherwise Illegal Actions.*

*1. WSC Fiduciaries Acknowledge Duty to Obtain Highest Possible Price for Airport Tract.*

6.24. In 2013, the Board voted to upgrade the WSC's wastewater treatment facilities and to relocate them from an approximately 10-acre tract within the Spicewood

Airport community (the “Airport Tract”). As reflected by the minutes from the August 13, 2013 meeting, the Directors agreed unanimously that relocating the facilities to an area east of Exeter Road would free the valuable Airport Tract for sale, which was considered the “highest and best use” of the Tract. The sale of the 10-acre Airport Tract was identified as one of the key components for funding the upgraded wastewater treatment plant improvements and other Cooperative needs.<sup>9</sup>

6.25. The Airport Tract was indeed very attractive real estate. At that time, the Spicewood Airport featured a well maintained 4,185’ x 30’ asphalt runway with fueling and maintenance service available onsite. The Airport Tract was within a highly developed gated airport community where hangar lots were in demand. The Airport Tract was one of the few vacant areas available within the airport and its size made the Airport Tract amenable to subdivision into multiple smaller hangar lots. The Airport Tract was surrounded by restricted aviation properties including well maintained hangars of relatively new construction. The Airport Tract had ready access to the airstrip and over 500 feet of paved taxiway frontage providing aircraft access to every part of the Tract. The Airport Tract is not encumbered by the Windermere Airport restrictions that govern the lots surrounding it or by the requirements and regulations of the Spicewood Pilots Association. Accordingly, purchasers could have ready access to and enjoyment of the many benefits and amenities of the airport, including the runway, without the financial burden of membership fees, impact fees, assessments and other obligations attendant to membership in the Pilots’ Association.<sup>10</sup>

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<sup>9</sup> The current Directors readily acknowledged this at the October 26, 2019 meeting.

<sup>10</sup> The Board acknowledged at the October 26, 2019 special meeting that this provided a clear marketing advantage for the Airport Tract.



6.26. The Board committed to the Owners that the Airport Tract would be sold for the best possible price and the proceeds would be used to defray the cost of the new facilities and for other Cooperative purposes. Following the August 2013 meeting, the Directors (including Mulligan, Earnest and Madden) claim to have gathered deeds and other records in preparation to engage a real estate professional to market the Airport Tract. At the Board's February 18, 2014 meeting, Defendant Mulligan was directed to obtain a survey and appraisal of the land to be sold. They did none of these things.

6.27. It was clear from the discussion at the October 26, 2019 special meeting that the Board never listed or advertised the Airport Tract or otherwise marketed the Tract. It is claimed that some of the Directors spoke with unidentified "real estate people," but they never actually marketed the Airport Tract for sale to the highest bidder.

6.28. Around this same time Martin, a local real estate agent and one of the owners of Windermere Airport, LLC ("Windermere"), put together a proposal for Windermere's purchase a 0.558-acre tract within the airport from the Windermere Oaks Property Owners' Association ("POA") at "fair market value." As described in her email, Martin's fair market value offer price was based on a recent sale of a 1.415-acre hangar lot on Cessna Lane for \$185,000, or \$3.00 per square foot.

6.29. For quite some time, POA members had used a 30,000 square foot portion of the Airport Tract (the "Storage Tract") for storage of boats and other items. As a stand-alone parcel in its then current condition, the Storage Tract was not particularly desirable as a hangar site. By email dated April 3, 2014, Taylor notified Mebane of the Board's vote to market the Airport Tract as single parcel and requested that the POA items be removed. She expressly acknowledged the Board's "fiduciary responsibility to

our members,” which prohibited the Board from taking any action that would “compromise our ability to obtain the ‘best’ offer from any potential buyer.”<sup>11</sup>

6.30. Around this same time, Martin (who was not yet on the WSC Board) became involved in the POA’s efforts to acquire the Storage Tract from the WSC. In this process, Martin obtained a copy of the WSC’s 2006 appraisal of a 7-acre vacant portion of the Airport Tract, including the Storage Tract.<sup>12</sup> The appraisal concluded that as of December 1, 2006, the vacant 7-acre portion was worth \$350,000, or \$1.15 per square foot, for light industrial (i.e., hangar) development specifically related to the airport.

6.31. In late 2014, the TCEQ approved the WSC’s Closure Plan for the old WWTP.<sup>13</sup> This should have cleared the way for prompt and aggressive marketing and market value sale of the Airport Tract. We now know, however, that the Directors never followed through with any listing or other marketing.

## 2. Martin Joins the WSC Board.

6.32. Martin was elected to the WSC’s Board in 2015. Shortly thereafter, she made use of her positions of authority as a co-owner of Windermere and as a WSC Director to orchestrate the sale of Tract G, a Cooperative-owned hangar lot across from the Airport Tract. The nominal grantee in the transaction was The Anne McClure Whidden Trust, an entity with which Martin regularly did business.<sup>14</sup> The WSC’s 2015

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<sup>11</sup> Taylor acknowledged these matters during the October 26, 2019 meeting.

<sup>12</sup> The 7-acre portion also included the hangar lots Martin later obtained from the WSC Board.

<sup>13</sup> The Board hinted at the October 26, 2019 special meeting that they recently discovered the closure may have been mishandled and that there may be residual problems on the Airport Tract. None of them has ever shared that information with the Owners. It does not appear to have influenced decision-making in 2016 or thereafter.

<sup>14</sup> Martin’s personal financial or other benefits from this transaction and from the subsequent sale of Tract G are not yet known and will be learned through discovery.

Form 990 reported receipt of \$95,000 in gross sale proceeds from this transaction, which equates to a sale price of \$12.75 per square foot.<sup>15</sup>

6.33. There is no record the Board ever voted on, or even considered, any transaction involving Tract G. That topic does not appear to have been included on any posted notice or agenda or in any of the Board minutes. While the deed appears to have been signed by Defendant Mebane as WSC President, there is not (and never has been) any Board resolution purporting to authorize any conveyance of Tract G.

6.34. Thereafter, Martin was again involved with efforts by the POA to purchase the Storage Tract. The POA's proposed price was around \$20,000 - \$25,000.00, or in the range of \$0.66 - \$0.83 per square foot. The minutes of the Board's July 16, 2015 meeting reflect that the Directors (including Martin, Mebane, Earnest, Madden and Mulligan) discussed the POA's offer in executive session but that no action was taken at that meeting. The POA's offer does not appear to have been included on any posted notice or meeting agenda. It is not mentioned in any other Board minutes. So far as Plaintiffs are aware, the Board rejected the POA's offer.

3. *Martin and Her Allies Orchestrate Secret Fire Sale Involving 3.8 Acres*

6.35. At some point thereafter, it appears Martin presented the other Directors with a document entitled "Appraisal of Real Property" prepared by Jim H. Hinton II and covering the Airport Tract (the "Purported Appraisal"). In his January 25, 2019 demand letter, the Board's attorney referred to the Purported Appraisal as "fraudulent."

6.36. There is no indication whether the other Directors were even aware of it. At the October 26, 2019 special meeting, some of the Directors confirmed that the 2016

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<sup>15</sup> At the October 26, 2019 special meeting, the Board acknowledged the \$95,000 sale of the hangar lot across the street from the Airport Tract in May 2015, just 6 months before it claims to have approved the Martin contract.

Board made no use of the Purported Appraisal, yet Martin herself signed a WSC check to Hinton for \$600.00.

6.37. The Purported Appraisal certainly conferred no benefit on the WSC or its Owners. If the Purported Appraisal benefitted anyone, it was sitting Director Martin who specialized in transactions involving real estate in and around the Spicewood Airport and was looking to acquire valuable aviation properties for next to nothing.

6.38. The Purported Appraisal did not claim to state a value for the Airport Tract as of September 2015, when Hinton signed it and presumably gave it to Martin, or as of March 2016, when Martin obtained the premier portion of the WSC's most valuable disposable asset for pennies on the dollar. The "effective date" of Hinton's "value conclusion" was September 1, 2014, a full year before Hinton prepared and signed it.

6.39. The Highest and Best Use Analysis within the Purported Appraisal claimed that the Airport Tract "lends itself to single family residential use." With her experience in the local real estate market, Martin was well aware that hangar lots were worth far more than the residential properties Hinton had relied upon.

6.40. In light of the market data of which the Board was actually aware, together with the glaring frailties of the Purported Appraisal, it is inconceivable that any of the Directors could have considered the Purported Appraisal to be a reliable estimate of the fair market value of the Airport Tract or any portion thereof in February or March 2016. After years of litigation in which it was waved around, the Board acknowledged during the October 26, 2019 special meeting that none of the Directors gave attention to the Purported Appraisal.

6.41. Martin has since claimed that at the time she made her “offer” the Airport Tract had been marketed to “many” prospective purchasers and that the WSC received “many” offers to purchase. The Purported Appraisal reflects that as of its September 2015 preparation date the Airport Tract had never been listed or professionally marketed. No real estate professional was ever engaged to market the Tract, nor was it ever listed or marketed for sale. There is no record of “many,” or any, offers or negotiations involving the Airport Tract aside from the rejected POA offer on the Storage Tract.

4. *Martin Orchestrates a Fire Sale and the Board Makes It Happen*

6.42. For at least the second time since accepting a position of trust and confidence as a member of WSC’s Board of Directors, Martin was at the center of a proposed transaction involving a conveyance of Cooperative property owned by the Owners. This time, however, Martin was involved as both seller (in her capacity as WSC fiduciary) and purchaser (for her own personal financial gain).

6.43. According to Martin, Defendant Mebane (then Board President) decided all by himself that the Airport Tract should not be sold as a single parcel, as the Board had planned for years. She claims Mebane determined the Board should dispose of the most valuable and desirable 3.8 acres of the Airport Tract with all of the Airport Tract’s frontage along the Piper Lane taxiway to a sitting WSC Director for a fraction of its market value.

6.44. Martin also claims the March 2016 fire sale transaction was “negotiated,” and that she made a “good faith” offer to purchase which was countered by the other Directors. The details of Martin’s claimed “good faith” offer and other information

concerning the alleged negotiation is not yet known and will be learned through discovery in the case. The Board's records are devoid of any such negotiations.

6.45. The so-called "disinterested Directors" were the very Directors who had unanimously acknowledged the Board's fiduciary duty to market the Airport Tract as a whole to obtain the "best possible offer" and who were well-aware the WSC had recently conveyed a comparable airport property for \$12.75 per square foot. None of the Directors disclosed to the Owners before the Board's December 19, 2015 meeting that they intended to authorize the piecemeal transfer of the premier portion of the Airport Tract and all of the taxiway frontage for a small fraction of the \$12.75/SF sales price comparable WSC airport property had recently commanded.

6.46. The proposed transaction was never mentioned as a discussion or action item on any posted meeting agenda for any Board meeting. Instead, based on the minutes, the Board raised the topic out of the blue at its regular meeting on December 19, 2015. The minutes reflect that after a 5-minute executive session Defendants Mebane, Madden and Mulligan (Defendant Earnest shown as being absent from that meeting) unanimously voted to accept an offer from Martin on behalf of a nonexistent affiliate (FHH) to carve off the highly desirable frontage and separate the remainder of the Airport Tract from all taxiway access for a "net price" of \$200,000, or \$1.19 per square foot.<sup>16</sup> There was no "appropriate resolution," or any resolution at all, approved by the Board.

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<sup>16</sup> Martin now claims that she was to have received 4.3 acres for \$200,000, or a price of \$1.04 per square foot. The "Proposed Amended and Superseding Agreement" contemplates that the WSC will transfer to Martin "a certain .5151 acre +/- portion/tract that was included in the sales contract but not deeded." As discussed more fully below, if the Board approved any transaction, it was not the transfer of Piper Lane. There still is no "appropriate resolution" authorizing such transfer. Moreover, Martin, a sophisticated real estate professional with years of experience with property within the Spicewood Airport and the person

6.47. Nor did the Board fulfill the special conditions that would have been required to trigger the power to approve an interested Director transaction. The minutes of the December 19, 2015 Board meeting did not reflect either (i) the interested Director's full disclosure of her interest in all aspects of the transaction or (ii) a statement that the Board was aware of the conflict of interest and nevertheless decided the transaction was fair to the Owners and was in their best interests. Indeed, there is no record of any kind that a majority of disinterested Directors (if there were any) actually made a determination at any time that the fire sale transaction was fair to the Owners and was in their best interests.

6.48. Not one of the so-called "disinterested Directors" has ever explained how it could possibly be fair to the Owners to allow an interested Director (or anyone else, for that matter) to acquire the prime portion of the Airport Tract with 100% of the aircraft access for any price lower than the \$12.75 per square foot price received for Tract G, a comparable hangar lot, just a few months earlier.

6.49. There have been claims that Martin's offer was reflected in a written Unimproved Property Contract. It appears someone prepared a contract document for the conveyance of an unspecified "4.3+ acres on Piper Lane," but as discussed below that was not the transaction Martin's cronies on the Board purported to approved.

6.50. Prior to closing, and at WSC expense, Martin subdivided the land she intended would be conveyed to her into two platted hangar lots. Mebane, as WSC President, signed Martin's subdivision plat on March 3, 2016. The plat was approved and recorded on March 8, 2016.<sup>17</sup> The plat Martin prepared and processed, and Mebane

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who platted the property before the March 2016 closing, cannot credibly claim that a mistake was made in the conveyance.

<sup>17</sup> A true and correct copy of the recorded plat is attached as Exhibit 2.

signed on behalf of the WSC, failed to reserve a taxiway for the remainder of the Airport Tract.

6.51. There are no references in agendas or minutes for subsequent Board meetings to any further consideration of a land transfer to Martin or to the adoption of any resolution authorizing any such transaction. The posted records of the Board do not reflect any resolution adopted by the Board in connection with a land transfer to Martin.

6.52. Nevertheless, on or about March 13, 2016, Defendants Mebane and Madden executed and delivered a document (hereinafter, the “Sham Resolution”) in which they “certified,” as President and Secretary of the WSC, respectively, that the resolution stated therein was “an accurate reproduction of the one made” by the Board and was “legally adopted on the date of the [February 22, 2016] meeting of the Board of Directors, which was called and held in accordance with the law and the bylaws of the corporation, at which a quorum was present.” The Sham Resolution described the property to be conveyed as 2 platted hangar lots by reference to the recorded plat, not as unplatted acreage.

6.53. The posted agenda for the February 22, 2016 meeting did not mention any proposed sale to Martin or the adoption of a resolution to authorize any sale. The minutes for the Board’s February 22, 2016 meeting were unanimously approved as a complete and accurate record of the Board’s actions at its February 22, 2016 meeting. They reflect that Mebane, Martin, Madden, Mulligan and Earnest were present. They do not reflect any discussion, much less approval, of a resolution or any other authorization for a sale of any property to an interested Director or her nonexistent affiliate. Despite exhaustive requests under the TPIA, Defendants have produced no



contemporaneous record reflecting that any resolution was actually adopted, at the February 22, 2016 meeting or any other time.

6.54. Mebane also executed two deeds, each of which purported to convey one platted hangar lot to FHH. FHH was an entity Martin had formed a few days earlier and over which she apparently exercised full and complete control. Copies of these deeds are attached as Exhibit 3. The Anne McClure Whidden Trust, which had purchased Tract G for \$12.75 per square foot, was involved in the transaction as a purchase money lender. The documents suggest that the purchase was funded entirely with loan proceeds. Whether and to what extent Martin has ever invested her own resources in this transaction is not yet known and will be learned through discovery.

5. *The Balloon Should Not Have Made Them Do It*

6.55. On information and belief, some or all the proceeds from Martin's acquisition of the hangar lots were used to make a balloon payment on the WSC's existing debt. Martin and other have suggested from time to time that the WSC might not have made its debt service obligation except by the illegal March 2016 transaction.

6.56. If that is true, then the Defendant Directors who created that situation have far more to answer for than the 2016 fire sale. They had no authority to incur debt on behalf of the organization without adequate provision for repayment in accordance with the loan agreement. They had a duty to monitor the Cooperative's financial performance and to make adjustments in the debt service plan as needed. They certainly cannot rationalize the fire sale of valuable Cooperative assets to mitigate the consequences of their other misconduct.

6.57. Had the WSC's fiduciaries followed through on the plan to market the Airport Tract as a whole and sell it for the highest possible price, the WSC could have

retired all of its outstanding debt in March 2016 and had a tidy sum left over to pay additional facilities costs, to acquire and/or upgrade equipment required to provide the Cooperative services in compliance with applicable laws and regulations, to establish or increase the reserve fund set aside for future system upgrades and improvements and to meet any number of other Cooperative needs.

6.58. Instead, the Owners collectively sustained an immediate loss of \$500,000 in cash when the most desirable part of the Airport Tract with all of the taxiway frontage, worth at least \$700,000 at the time, was conveyed to an interested Director for a “net price” of \$200,000. In addition, the remainder tract was rendered unmarketable and its value instantly diminished by \$640,000 when the Cooperative’s fiduciaries separated it from all taxiway access and failed to create or secure an adequate alternative.

6. *The Fire Sale Included a Free Right of Refusal for Martin*

6.59. In the March 2016 transaction, Mebane, acting as WSC President, executed and delivered a Right of First Refusal (“ROFR”) granting Martin an exclusive preferential purchase right covering the remainder tract for a stated term of 20 years. A copy of the illegal and unauthorized ROFR, which was also signed by Martin as sole Manager of the newly created FHH, is attached as *Exhibit 4*. Not even the Sham Resolution mentions the ROFR. The Owners received nothing in exchange for it.

6.60. The mediated settlement proposal apparently contemplates that Martin will extinguish the illegal ROFR. That is not much of a concession, as Martin would never be able to enforce a preferential purchase rights obtained for no consideration in breach of her fiduciary duty as WSC Director. Even if the ROFR were removed tomorrow, however, the Owners have still suffered damage in the form of years of

expense and lost opportunities related to the remainder tract. The Board's mediated settlement proposal doesn't provide any recovery for those damages.

F. *Martin Capitalizes on the First Sale While the Owners Struggle*

6.61. Martin later replatted the hangar lots again to create a third hangar lot. By deed dated April 3, 2017, Martin, as sole Manager of FHH, conveyed the southeastern 1.25 acres (then platted as "Tract H2-A") to Johann and Michael Mair. A copy of the deed from Martin to Mair is attached as Exhibit 5. The Mair property is where Martin's "Amended and Superseding Agreement" apparently proposes to locate a 50' "access easement" and 25' setback to provide a taxiway to the remainder tract.

6.62. The Mair deed reflects that Martin's business associate The Anne McClure Whidden Trust made a \$100,000 purchase money loan in connection with the Mair sale. The total purchase price is not yet known. At a sales price of only \$100,000, however, Martin doubled her money on Tract H2-A within a short time.

6.63. During this same time, the WSC still has the debt that was outstanding in 2016 and has incurred additional debt to pay expenses that could and should have been covered by the proceeds from the sale of the Airport Tract. The Board has struggled with strategies to restructure the debt; the Directors do not seem to appreciate that the WSC is not permitted to have outstanding debt just because it can. The Board has postponed needed repairs and the acquisition of a generator and other equipment needed to provide the Cooperative services and to remain in compliance with applicable regulations. At the same time, the Board has raised rates, service fees and membership fees. The Board also appears to have allowed the Cooperative to become financially dependent on the extremely questionable practice of collecting standby fees from non-patrons.

G. *New Board Receives Unequivocal Confirmation of Misconduct and Unfairness*

6.64. In 2018, the composition of the Board changed. The newly constituted Board appears to have commissioned a legitimate investigation into the legality of the March 2016 transaction. It also engaged the MAI appraisers at Bolton Real Estate to perform a professional forensic appraisal to analyze the financial impact of the fire sale. Bolton's report confirmed that the Owners sustained an immediate loss of more than \$1,000,000, not counting what Martin should have paid for the ROFR she obtained for free.

6.65. As stated above, the analysis of the WSC's legal counsel confirmed that the March 2016 fire sale was unauthorized, improper and unfair to the Owners and involved breaches of fiduciary duty and other misconduct by Directors.

6.66. The newly constituted Board determined that its fiduciary duties required prompt efforts to recover the misappropriated property or to otherwise make the Owners whole by pursuing "all available avenues of relief." The Board directed the WSC's counsel to send a demand letter to counsel for Martin and FHH. The demand letter outlined numerous unauthorized and illegal acts that precipitated the fire sale and explained how it was unfair to the Cooperative enterprise and its Owners. A copy of such demand letter is attached as Exhibit 1.

G. *The WSC's Fiduciaries Fail the Owners, Again*

6.67. By all appearances, the Directors were doing exactly what their duties required of them. Those Directors (including Bertino, Morse and Nelson) had expressly acknowledged their fiduciary duties to the Owners and had engaged independent qualified professionals to analyze the facts and to advise them. Upon receiving the conclusions and advice of those qualified professionals, those Directors determined

(presumably in good faith and in the exercise of reasonable care) that pursuit of all available avenues of relief was warranted. They prepared to move forward against Martin, FHH and others.

6.68. By all appearances, those very same Directors abruptly ceased all efforts to pursue recovery for the Owners' \$1,000,000 loss and all other relief to which the Owners are entitled. It is not yet known why. Nor is it known why they embraced and defended (with the Owners' money) the unfaithful fiduciaries who caused the loss to begin with. No reasonable explanation is apparent. These matters will be learned through discovery.

6.69. There was another Director election in 2019. Defendant Earnest, who had gone off the Board, was elected to serve as a Director again. Bertino, Morse and Nelson continued on the Board. The WSC's leadership continued use Cooperative resources to oppose efforts to restore the Owners' misappropriated property.

6.70. From and after the March 2016 fire sale, the legitimate business of this Cooperative has been continuously compromised as a result of the acts and omissions of the agents responsible for managing the assets it uses to operate. Nevertheless, at the Board meeting on June 12, 2019, the Directors voted to have the litigation subcommittee engage defense counsel to "defend any legal claims against any co-defendant co-directors." They have neither statutory nor organizational authority to use Cooperative resources in that manner. Even if they had the power to do it, using the assets of the victims to provide a defense for the unfaithful fiduciaries who harmed them would be wrong by any standard. The Owners must make their stand somewhere. To draw the line before paying for the defense of one's unfaithful agents has compelling appeal.

## VII.

Causes of Action

Plaintiffs reallege and incorporate by reference all the foregoing allegations in connection with each and every cause of action alleged herein.

Ultra Vires Actions

7.01 Pursuant to Section 20.002(c), Tex. Bus. Orgs. Code, an act that is beyond the scope of the Board's powers or inconsistent with a limitation on the authority of a Director to act may be enjoined, set aside or otherwise challenged (i) by an Owner in a proceeding for an injunction or to set aside the act, or (ii) by an Owner in a representative suit against current and/or former Directors for exceeding their authority. The procedure and relief for redress of *ultra vires* acts is the same for non-profit organizations as for organizations that operate for profit.

7.02 By definition (§22.501(2)) and common law, *ultra vires* acts cannot be ratified or "re-approved." Pursuant to §22.512, the Court has broad, but nonexclusive, powers to declare any purported ratification ineffective as to an action that is not within the powers of the Board in the first instance.

A. Unauthorized Conveyance of Property (Current and Former Directors)

7.03 The Cooperative has power to convey real property in its name only when "authorized by appropriate resolution of the board of directors." The Sham Resolution is a fraud. It was likely never acted on at all and there is certainly no Board record to suggest it was. It certainly was not acted on at the February 22, 2016 meeting, as the plat (which is referenced in the Sham Resolution by recording information) was not recorded until weeks later. If any action was ever taken on the Sham Resolution or any other resolution purporting to approve a transaction with interested Director Martin,

the Board is estopped by the minutes it approved and placed in the WSC's records to claim that such action occurred.

7.04 The Sham Resolution is not an "appropriate resolution of the board of directors," and thus conferred no power to convey the platted hangar lots. The Sham Resolution does not even mention Piper Lane or any unplatted acreage. The Sham Resolution does not purport to authorize the encumbrance of the remainder tract by the granting of the ROFR. Subject to the intervening rights of bona fide purchasers, if any, acting in good faith and without notice, all such conveyances must be annulled or canceled and unencumbered legal title must be confirmed in the WSC's Owners.

7.05 The WSC's Board has power to act only by majority vote with a quorum present at an open meeting that complies with TPIA. It has already been determined that action (if any was taken) on the fire sale transfer to Martin at the February 22, 2016 meeting was in violation of TPIA. Accordingly, none of the actions taken during that meeting constitute actions of the Board of Directors.

7.06 The conveyance of the platted hangar lots and the granting of the ROFR were inconsistent with express limitations on the Board's authority. Subject to the intervening rights of bona fide purchasers, if any, acting in good faith and without notice, the Board has a duty to annul or cancel those transfers and to restore unencumbered legal title in the Owners.

7.07 The Board's power was further limited in these circumstances because the conveyance of the platted hangar lots and the granting of the ROFR were interested Director transactions. The Directors' authority to approve and implement a transaction between Martin and the WSC is conditioned on compliance with several requirements. The interested Director must have fully disclosed her interest in all aspects of the

transaction. Following such disclosure, a majority of disinterested Directors must have determined in good faith that the transaction was fair to the WSC and was in the WSC's best interests. The minutes of the meeting at which the Board approves an interested Director transaction must reflect both (i) the interested Director's full disclosure and (ii) a finding by the Board that the Directors were aware of the conflict of interest and nevertheless decided the transaction was fair and was in the WSC's best interests. None of these requirements was satisfied or fulfilled in connection with the adoption of the Sham Resolution or any other action purporting to approve the conveyance of the platted hangar lots or the granting of the ROFR to Martin or to an entity she owned and controlled. Subject to the intervening rights of bona fide purchasers, if any, acting in good faith and without notice, such transactions must be annulled or canceled and unencumbered title must be confirmed in the WSC's Owners. Alternatively, the Owners should recover from their unfaithful fiduciaries all amounts required to make them whole.

7.08 The current Board does not have the power to convey the 0.5151-acre portion of Piper Lane as contemplated by its proposed "Amended and Superseding Agreement." As the Board presents it, this transfer is to complete an interested Director transaction that was adverse to the Owners and was never authorized by "appropriate resolution" of the Board or by fulfillment of the special conditions required for interested Director transactions. This Board has not adopted an "appropriate resolution" of its own concerning the proposed transfer of Piper Lane for no consideration and has not fulfilled the special conditions required for interested Director transactions.



7.09 Further, the Board does not have the power to transfer Piper Lane to Martin because such transfer is not in furtherance of the legitimate business of the Cooperative. The Cooperative never approved the transfer of Piper Lane to Martin and was never obligated to make any such transfer. Martin did not make a mistake when she obtained deeds to 2 platted hangar lots and not to the portion of Tract H that included Piper Lane (which she herself platted), therefore no “correction deed” is warranted. The entire fire sale transaction was grossly unfair and illegal separate and apart from any transfer of Piper Lane; to transfer Piper Lane for no consideration now just makes a very, very unfair situation worse. It is not within this Board’s discretionary authority to cause the transfer of Piper Lane to Martin.

7.10 Any transfer of Piper Lane (and any other of the Owners’ property) to Martin must be enjoined (or, if already done, must be annulled or canceled) and unencumbered title must be confirmed in the WSC’s Owners. Alternatively, the Owners should recover from their unfaithful fiduciaries all amounts required to make them whole.

B. Ultra Vires Use of Cooperative Assets (Current and Former Directors)

7.11 The assets of the cooperative are owned in common by the Owners. The WSC holds nominal title to the commonly owned assets and is authorized to use them to operate the enterprise but for no other purpose. The Board has no power to use or dispose of the assets in a manner that is not in furtherance of its legitimate business as a water and sewer service Cooperative.

7.12 An integral part of the business of a Cooperative is to make maximally productive use of the assets it manages to provide services to those who own them. The Board has no power to stockpile marketable assets that are no longer needed for

Cooperative operations. Those assets must be sold for the highest possible price and the proceeds used for Cooperative purposes or distributed/allocated to the Owners who own them. These duties are non-discretionary.

7.13 Waste of a Cooperative asset does not further the operation of the Cooperative enterprise. Accordingly, this is not within the Board's powers.

7.14 Had the Airport Tract been properly marketed and sold for what it was worth in March 2016, the Owners would have netted well over \$1,000,000. They could have extinguished the outstanding debt, acquired needed equipment, made a healthy allocation to the reserve fund and received a respectable dividend, all in furtherance of the legitimate business of a water supply and sewer service Cooperative. Instead, the Cooperative's unfaithful fiduciaries gave away valuable property interests for next to nothing, devalued other property interests, and now propose not only to leave that transaction intact but to make it worse by giving away the Piper Lane taxiway. The Owners have been burdened with unnecessary debt service and higher rates and fees, and the Cooperative still doesn't have needed equipment and facilities. The Board has no power to manage the Cooperative's assets in this manner.

7.15 The Board has no power to apply Cooperative resources to prevent the recovery of property wrongfully transferred or to pay defense costs for the wrongdoers.

7.16 The Board has no power to release or compromise of the Owners' right to relief, whether direct or derivative, against its unfaithful fiduciaries or FHH. Any release that purports to or is intended to have such effect is *ultra vires*.

7.17 All of these transfers and transactions must be enjoined or, if already done, must be annulled or canceled, and all distributed funds and unencumbered title to

property must be returned to the WSC's Owners. Alternatively, the Owners should recover from their unfaithful fiduciaries all amounts required to make them whole.

C. *Adverse Transactions (Former and Current Directors)*

7.18 The Directors have no power to authorize a transaction that is adverse to the WSC. The WSC should have been \$1,300,000 or more to the good from a sale of the Airport Tract. The Directors may not have known precisely how damaging the 2016 fire sale would be, but they had more than enough information before them to know that Martin's \$200,000 "net price" was nowhere near the price received from the sale of Tract G, a comparable hangar lot right across the street. Meeting minutes reflect the Board's awareness of the importance of proper taxiway access, yet they land-locked the remainder tract for aircraft purposes. Burdening the remainder tract with a ROFR for which nothing was paid was outrageous by any standard. The 2016 fire sale transaction might have obviated the need for the Directors to actually do their job to vigorously market the Airport Tract and to achieve the best price available, but none of them believed in good faith and in the exercise of reasonable care that a fire sale of the Cooperative's "nest egg" was in the best interests of the Owners.

7.19 The Directors' expenditure of Cooperative resources to prevent the Owners from recovering their loss and to pay defense costs for the wrongdoers who occasioned the loss is adverse to the Owners and the Cooperative purposes and is beyond the Board's power.

7.20 The proposed "Amended and Superseding Agreement" is adverse to the Owners and the Cooperative purposes and is beyond the Board's power.

7.21 All of the foregoing transfers and transactions must be enjoined or, if already done, must be annulled or canceled, and all distributed funds and

unencumbered title to property must be returned to the WSC's Owners. Alternatively, the Owners should recover from their unfaithful fiduciaries all amounts required to make them whole.

D. Disbursements of Cooperative Funds to/for the Benefit of Directors (Current and Former Directors)

7.22 The Board has no power to pay or reimburse attorneys' fees or other litigation expenses incurred by a Director not currently in office. Accordingly, all such disbursements are *ultra vires*.

7.23 The Board's power to pay or reimburse attorneys' fees or other litigation expenses incurred by the current Directors in advance of final disposition of the proceeding is limited. The exercise of such power is conditioned on the current Directors' strict compliance with the requirements of Section 8.104 of the Non-Profit Act. Any other payment or reimbursement is *ultra vires*.

7.24 There is no indication in the records of the WSC or otherwise that any of the current Directors have provided either the written affirmation or the written undertaking that Section requires. Further, none of these Directors *can* fulfill the conditions precedent in Section 8.104.

7.25 All such disbursements must be enjoined or, if already done, must be annulled or canceled, and all distributed funds must be returned to the WSC's Owners. Alternatively, the Owners should recover from their unfaithful fiduciaries all amounts required to make them whole.

E. Failure to Rescind Sham Resolution, Annul Fire Sale Transaction and Recover Loss

7.26 The Board had – and continues to have -- a nondiscretionary duty to rescind the illegal Sham Resolution, to annul the 2016 Martin/FHH fire sale and recover

from those who caused or participated in the transaction all loss and damage the Owners sustained as a result. This applies where, as here, the Directors themselves are accountable for the damage.

7.27 The Board has a nondiscretionary duty to rescind its approval of the “Amended and Superseding Agreement” and to annul any and all transfers, agreements and other acts taken in furtherance thereof.

7.28 The Directors’ refusal or failure to perform such nondiscretionary duty is defalcation, which constitutes willful or intentional misconduct and a breach of each Director’s duties to the Owners. The undisputed facts, Martin’s clear conflict of interest and enormous personal financial benefit, the clearly fraudulent Sham Resolution and the uncontroverted opinions of the WSC’s own professionals conclusively establish the Directors’ liability for such breach.

7.29 Plaintiffs seek an injunction setting aside the 2016 fire sale transaction and the Board’s approval of the “Amended and Superseding Agreement,” in whole or in part, and awarding to the Owners compensation for loss or damage in connection therewith, as authorized by Section 20.002(d), Tex. Bus. Orgs. Code. Martin/FHH are barred by the doctrine of unclean hands and by the statute of limitations from seeking restoration of the amount paid in connection with the 2016 transaction. The Owners are entitled to confirmation and enforcement of a constructive trust as and to the platted hangar lots transferred in 2016 and all other of their property transferred to or for the benefit of Martin and to an offset for all amounts and benefits received by Martin/FHH in connection with the wrongfully acquired property, including, without limitation, the \$100,000 or more received from the Mairs.

7.30 Plaintiffs also seek an order enjoining any further disbursement of Cooperative funds to pay or reimburse litigation costs for the Directors and requiring that the recipient(s) of such disbursements made in the past restore all such amounts to the Cooperative.

*Breach of Fiduciary Duty*

7.31 As they have acknowledged in the past, the individual Defendants stand in a fiduciary capacity vis-à-vis the Owners of the WSC and owe fiduciary duties directly to them. In particular, they act as agents in connection with their management of property held in the name of the WSC for the benefit of the Owners, who are the owners of such property and the revenues it generates. As such, the Directors' actions must be fair and equitable to the Owners, the Directors must make reasonable use of the confidence placed in them by the Owners, they must act in utmost good faith and exercise the most scrupulous honesty toward the Owners, they must place the interests of the Owners ahead of their own interests and not use the advantage of their position to gain any benefit for themselves at the expense of the Owners, and they must fully and fairly disclosed all important information to the Owners.

7.32 From the moment she got on the Board, Martin engaged in a pattern of misconduct involving the Owners' property that breached her fiduciary duties to the Owners; these are summarized above. This culminated with her acquisition of valuable platted hangar lots for pennies on the dollar, platting shenanigans that land-locked the remainder of the Airport Tract and her acceptance of a ROFR that would enable her to capitalize on the Owners' loss. Thereafter, she accepted illegal disbursements of Cooperative funds to defend her against the consequences of her misconduct. When the Board made demand on her in January 2019 to return what she had misappropriated in

her fiduciary capacity, she apparently refused. She still refuses to return the Owners' property to them. Instead, she demands that they convey even more valuable airport property on the strength of the unauthorized, adverse, interested director fire sale transaction she claims the Board approved in March 2016.

7.33 The Directors who participated in, sanctioned, defended and now propose to "complete," including a full release of Martin/FHH for the consequences of their misconduct, likewise breached their duties to the Owners. Mebane and Madden, who signed the Sham Resolution, also engaged in actual and constructive fraud. Whether these Directors received financial or other benefits remains to be seen.

7.34 The Board's fiduciary duties are continuing notwithstanding periodic changes in its composition. Accordingly, the current Directors have fiduciary duties with respect to the recovery of the misappropriated hangar lots (or their value) and the extinguishment of the illegal ROFR. They have disregarded the opinions and recommendations of the professionals they engaged at the Owners' expense and are not only refusing to annul the transfer of 3.8 acres but are using Cooperative resources to prevent the Owners' recovery of their property and other losses and to defend those whose misconduct caused the loss.

7.35 Plaintiffs seek an order to annul the illegal 2016 transaction in all respects, including confirmation and enforcement of a constructive trust and restoration of title to the hangar lots in the name of the Owners, cancellation of the ROFR and, as appropriate, recovery into the account held in the name of the of the Owners of all proceeds from the sale of disposition of Tract H2-A and other benefits received by Martin or FHH.

7.36 Plaintiffs further seek an order enjoining any further disbursement of funds from an account in the name of the WSC for the purpose opposing Plaintiffs' recovery or defending the individual Defendants herein, requiring that each recipient of funds in connection with litigation disgorge all such disbursements and restore such funds to the account from which they were taken, and holding the current Directors personally and individually liable for the amount of all funds not so restored. The one-satisfaction rule does not preclude the recovery of both actual damages and the equitable remedy of disgorgement, as these remedies are intended to address separate and distinct injuries.

#### Constructive Fraud

7.37 Constructive fraud encompasses those breaches of legal or equitable duty that the law condemns as "fraudulent" merely because they tend to deceive others, violate confidences, or cause injury to public interests, the actor's mental state being immaterial. It does not require an intent to defraud. Constructive fraud occurs when a party violates a fiduciary duty or breaches a confidential relationship.

7.38 The acts and omissions of the individual Defendants and FHH alleged above constitute constructive fraud.

7.39 Plaintiffs are entitled to recover all loss and damage occasioned by such constructive fraud and also to have such equitable relief is required to make them whole for their loss. As co-owners of the property involved in the fraud, Plaintiffs are entitled to recover the full amount of the loss for the benefit of themselves and their cotenants.

### VIII.

#### Joint and Several Liability



8.01 Plaintiffs reallege and incorporate by reference all the foregoing allegations.

8.02 On information and belief, FHH is Martin's alter ego. It exists for no purpose other than as an instrumentality to serve her personal interests and does not have an existence separate and apart from Martin. Martin has liability for the acts and omissions of FHH.

8.03 FHH knowingly participated in and benefitted from the breaches of fiduciary duty and other misconduct by Martin and the other Directors named herein. Each of the Directors named as Defendants herein knowingly participated in and benefitted from the breaches of fiduciary duty and other misconduct by the others.

8.04 The individual Defendants and FHH are coconspirators. The Directors then in office conspired to cause the 2016 fire sale transaction and the others perpetuated it and may now claim to have ratified it. In addition, the Directors conspired to disburse Cooperative funds to each other for the benefit of themselves. Finally, certain of the individual Defendants have conspired to deprive the Owners of relief for the loss they have sustained at the hand of their unfaithful fiduciaries.

8.05 The individual Defendants and FHH are jointly and severally liable for all loss and damage resulting from the acts and omissions described above.

## IX.

### Exemplary Damages

9.01 Plaintiffs reallege and incorporate by reference all the foregoing allegations.

9.02 Exemplary damages may be awarded if there is clear and convincing evidence that the harm caused results from: “(1) fraud; (2) malice; or (3) wilful act or omission ...” See Tex. Civ. Prac. & Rem. Code Ann. § 41.003.

9.03 The individual Defendants and FHH behaved with malice in conspiring with each other to transfer valuable Cooperative assets and rights to a sitting Director for very little consideration in 2016, to disburse Cooperative resources to protect the transaction and to deprive the Owners of relief for the loss they have sustained at the hand of their unfaithful fiduciaries. Their actions, when viewed objectively from the standpoint of the individual Defendants and FHH at the time of such actions and their acts of civil conspiracy, involved an extreme degree of risk, considering the probability and magnitude of the potential harm to the Owners. The individual Defendants and FHH had actual, subjective awareness of the risk involved, but nevertheless proceeded with conscious indifference to the rights of the Owners. Exemplary damages are necessary to serve as a punishment for the individual Defendants and FHH and as a deterrent for others who may be inclined to engage in the same conduct.

9.04 The limitation on recovery set forth in § 41.008 does not apply because Plaintiffs seek recovery of exemplary damages based on conduct described as a felony in Penal Code § 32.45 (misapplication of fiduciary property) that was committed knowingly or intentionally.

## X.

### Attorneys’ Fees

10.01 Plaintiffs seek recovery from the individual Defendants and FHH of Plaintiffs’ reasonable and necessary attorneys’ fees and other expenses associated with this litigation as permitted by applicable law.

## XI.

Conditions Precedent

11.01 All conditions precedent to Plaintiffs' right to recover herein have occurred or have been fulfilled.

WHEREFORE, premises considered, Plaintiffs respectfully pray that the additional Defendants joined hereby and herein be cited to appear and to answer and that upon final trial Plaintiffs have judgment as aforesaid and such other and further relief, at law or in equity, to which they may show themselves justly entitled.

Respectfully Submitted,

THE LAW OFFICE OF KATHRYN E. ALLEN,  
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By: /s/ Kathryn E. Allen

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State Bar ID No. 01043100  
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Attorneys for Plaintiffs/Intervenors

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing document has been sent via electronic service to all lead counsel of record on this 3<sup>rd</sup> day of November 2019.

/s/ Kathryn E. Allen

Kathryn E. Allen



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January 25, 2019

Via Email: [mollym@abdmf.com](mailto:mollym@abdmf.com)  
and Via USPS Regular Mail

Molly Mitchell  
ALMANZA, BLACKBURN, DICKIE & MITCHELL, LLP  
2301 S. Capital of Texas Highway, Bldg. H  
Austin, Texas 78746

Re. Friendship Homes & Hangars, LLC purchase of real property interests  
from Windermere Oaks Water Supply Corporation

Dear Molly,

I am writing to you on behalf of my client, the Windermere Oaks Water Supply Corporation ("WOWSC") in connection with real property transactions by Friendship Homes & Hangars, LLC ("Friendship Homes") relating to approximately 10.85 acres of property located on Piper Lane in Spicewood, Texas ("the property"). This letter is sent to you as counsel for Dana Martin and Friendship Homes as a matter of professional courtesy; if you contend that it should be addressed directly to Ms. Martin and/or Friendship Homes, please let me know and we will re-send it as instructed.

As you know, by a contract for sale dated January 19, 2015, closing in early 2016, and continuing until final addendum on February 16, 2017, Friendship Homes purportedly acquired two separate real property interests from WOWSC: 1) title in fee simple to approximately 3.86 acres along the west side of Piper Lane, in Spicewood, Texas, and 2) a "right of first refusal" to purchase an additional approximately 7.01 acres immediately to the west of the purchased property (collectively, "the transactions"). The total price paid by Friendship Homes to WOWSC for both interests was \$203,000.

The circumstances surrounding the transactions are problematic for several reasons.

Lloyd Gosselink, Rochelle & Townsend, P.C.

Exhibit 1

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**Self-interested transaction:** First and foremost, the managing member of Friendship Homes is Dana Martin. At all times relevant to the transactions, Ms. Martin also was a member of the board of the seller, WOWSC. While she purportedly recused herself from the ultimate vote on a portion of the transaction on December 19, 2015, at all times she remained a member of the board, and by virtue of that office had a fiduciary duty and a duty of loyalty to WOWSC, which requires that there be no conflict between duty and self-interest.

**Actions taken in violation of the Texas Open Meetings Act:** As a WOWSC Board member, Ms. Martin is charged with knowledge of the requirements of the Texas Open Meetings Act and knowing that the meeting notice for the December 19, 2015 meeting was legally insufficient, did not speak up or vote for the remainder of the Board that the meeting notice did not meet the requisite legal standard. Instead, she allowed her self-interest to be paramount, so that the meeting could go forward and she could enter into a contract for sale of the property. Further, Ms. Martin was surely aware that the purported "right of first refusal" was not mentioned in the meeting notice, and thus could not be considered or acted upon by the WOWSC Board at that meeting without violating the Texas Open Meetings Act. Again, Ms. Martin allowed her self-interest to be paramount, so that the meeting could go forward and she could obtain that right of first refusal, paying no additional consideration for that real property interest. These matters have been litigated, and are the subject of a final judgment in Cause No. 47531, *TOMA Integrity, Inc. v. Windermere Oaks Water Supply Corporation*, in the 33<sup>rd</sup> District Court of Burnet County, Texas.

**Actions regarding improper appraisal:** Prior to the transactions, on information and belief, Ms. Martin worked with Jim Hinton to present what was purported to be an objective appraisal of the property to the WOWSC Board ("the Hinton appraisal") on or about September 1, 2015. This was done so that the WOWSC Board could consider the market value of the property and determine whether to sell the property, and under what price and other terms such transaction should be conducted.

The Hinton appraisal represented that it was intended to comply with all applicable rules and standards, and that its conclusion as to value was to be based on the "Highest and Best Use." The Hinton appraisal concluded that the present use of the property was "vacant land," and further concluded that remained the "highest and best use" for the property. The three comparable properties that were analyzed to determine the open market valuation were likewise "vacant land" properties.

Importantly, the property was (and still is) located amidst multiple hangar facilities at a private airport, Spicewood Airport, and had significant frontage on a taxiway for Spicewood Airport. In such circumstances, and considering the factors of legal permissibility, physical possibility, financial feasibility, and maximum

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productivity, the actual highest and best use of the property is for division into multiple airport hangar lots, not simply to be used as "vacant land." Notably, the Hinton appraisal did not take into account any comparable sales of hangar lots in the area. Its improper characterization of the highest and best use of the property, and selection of comparable properties consistent with that improper characterization, resulted in a significant under-valuation of the property. Upon information and belief, these defects violate applicable USPAP standards and render the Hinton appraisal fraudulent, and it was presented to fraudulently induce the WOWSC Board into taking action contrary to the best interests of WOWSC.

The WOWSC Board received the Hinton appraisal for the purpose of evaluating and conducting a potential sale of the property. On information and belief, Ms. Martin was aware of this purpose and intended use when the Hinton appraisal was provided to WOWSC. Also on information and belief, Ms. Martin conferred with Mr. Hinton regarding the appraisal before it was submitted to the WOWSC Board, knew that the actual market value of the property was well above the value presented in the Hinton appraisal, and failed to disclose that information to the WOWSC Board. Upon further information and belief, she was aware that the most likely buyer of the property was an enterprise that she had yet to form, Friendship Homes.

*The resulting improper and unfair transactions:* In reliance on the appraisal, the WOWSC Board elected to sell approximately 3.86 acres of the property for a price of \$203,000 to Ms. Martin's enterprise, Friendship Homes, realizing a value of just over \$52,000 per acre. In reality, based on the proper highest and best use of airport hangar lots, the value of the 3.86 acres of the property sold was \$700,000, yielding a true value of approximately \$181,000 per acre. In addition, in further reliance on the under-valuation of the property contained in the appraisal, the WOWSC Board also transferred a "right of first refusal" to Ms. Martin's enterprise for the remaining 7.01 acres of the property for no additional consideration, with that transaction being completed on February 16, 2017.

Thus, as a result, the WOWSC Board at the very least sold property with a proper market value of \$700,000 for a price of \$203,000, a difference of \$497,000. As a result of the actions related to the Hinton appraisal, material facts as to the transaction were not disclosed to, and upon information and belief, purposefully concealed from, the WOWSC Board. The resulting transaction, being for a price significantly lower than the proper market value at the time, was not fair to WOWSC. The circumstances above would constitute a breach of Ms. Martin's fiduciary duty to WOWSC as a member of the WOWSC Board. Further, to the extent that the actions of Ms. Martin and Friendship Homes relating to the Hinton appraisal were committed in concert with and with the knowledge of Mr. Hinton, they may give rise to an action for civil conspiracy.

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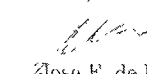
Finally, pursuant to the Unimproved Property Contract and as consideration for the transactions, Friendship Homes agreed to grant a 50-foot easement to run from Piper Lane to the west property line of the 3.86 acres that Friendship Homes acquired in fee simple. An inspection of the Burnet County property records finds no such valid and enforceable easement that has been created or granted to WOWSC, indicating that Friendship Homes has failed to perform this contract obligation. The absence of such easement significantly reduces the value of the remaining property. This works to Friendship Homes' significant advantage; absent an easement, the current market value of the remaining property is quite low, and if WOWSC attempts to sell it for its current reduced market value, Friendship Homes can execute its right of first refusal and acquire that portion of the property for a fraction of its potential value. Friendship Homes can then extend an easement through the property it currently owns, which will dramatically increase the value of the remaining property. Thus, by virtue of actions solely within Ms. Martin's and Friendship Homes' control, they will realize a significant appreciation in value on the property which value properly belongs to WOWSC.

This letter is the WOWSC's Board's notice and demand that you 1) preserve all documents, correspondence, records, and communications (including emails, text messages, and phone records) that you have had with Mr. Hinton or with any past or current member of the WOWSC Board regarding the property, the Hinton appraisal, or the transactions, and 2) to meet and confer promptly with WOWSC through its legal counsel to discuss WOWSC's claims against Ms. Martin and Friendship Homes, and a proper resolution thereof.

Please reply in writing indicating that you understand WOWSC's demands and will preserve all information described above, and will agree to meet and confer with WOWSC through its legal counsel within the next thirty days. In the event that you fail to do so, WOWSC will have no choice but to pursue all available avenues of relief, including pursuing litigation against Ms. Martin and Friendship Homes.

We look forward to your prompt response to this correspondence.

Sincerely,

  
Jose E. de la Fuente

JEF:cad



PLA1  
2 PCS  
201601994

# TRACT H ON PIPER LANE

4.3839 ACRES OUT OF THE MARIA SALINAS SURVEY NO. 17, BURNET COUNTY, TEXAS

STATE OF TEXAS COUNTY OF BURNET. KNOW ALL MEN BY THESE PRESENTS:  
That Windermere Oaks Water Supply Corporation (WOWSC), being the owner of 4.3839 acres of land (more or less) out of the Maria Salinas Survey No. 17, Burnet County, Texas, part of a 7.0255 acre tract conveyed to WOWSC by deed recorded in Volume 752, Page 199, Burnet County Deed Records, does hereby dedicate this plot of said 4.3839 acres as shown hereon, and does hereby adopt this plat to be known as "TRACT H ON PIPER LANE" as the official plat of same, lacking by and through WOWSC President, Robert Mebane

WITNESS MY HAND this 3 day of MARCH 2016

Robert Mebane, President  
424 Coventry Road  
Spideewood, TX 78669

STATE OF TEXAS COUNTY OF BURNET:

Before me, the undersigned Notary Public in and for said County and State, on this day personally appeared Robert Mebane, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged that she executed same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24 day of MARCH 2016.

Notary Public in and for the State of Texas



STATE OF TEXAS COUNTY OF BURNET:

The attached plat of a 4.3839 acre portion of the Maria Salinas Survey No. 17, Burnet County, Texas, known as "TRACT H ON PIPER LANE" was found to comply with the statutes and laws of the State of Texas and was approved for filing thereof in the Plat Records of Burnet County, Texas

TO CERTIFY WHICH, the undersigned as County Judge of Burnet County, Texas, this \_\_\_\_ day of \_\_\_\_ 2016.

James Oakley, County Judge, Burnet County, Texas

ATTEST: Janet Parker, County Clerk, Burnet County, Texas

STATE OF TEXAS COUNTY OF BURNET:

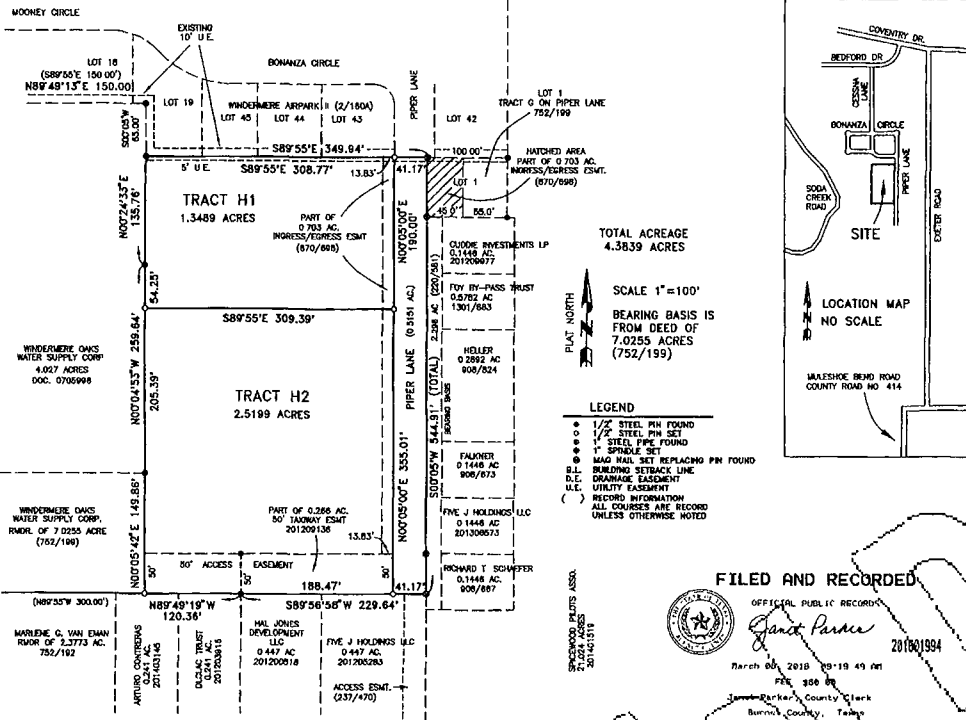
I, Janet Parker, County Clerk of County Court of said County, do hereby certify that the foregoing instrument with Certificate of Authentication was filed for record on this \_\_\_\_ day of \_\_\_\_ 2016, at \_\_\_\_ o'clock \_\_\_\_ M. in Volume \_\_\_\_ Page \_\_\_\_ of the Burnet County Plat Records.

WITNESS MY HAND AND OFFICIAL SEAL this \_\_\_\_ day of \_\_\_\_ 2016.

Janet Parker, County Clerk, Burnet County, Texas

## NOTES.

1. EACH DWELLING CONSTRUCTED OR PLACED ON THIS SUBDIVISION SHALL BE CONNECTED TO A SEWAGE AND WASTEWATER DISPOSAL FACILITY MEETING THE SPECIFICATIONS AND REQUIREMENTS OF THE STATE HEALTH DEPARTMENT
2. CENTRAL WATER AND CENTRAL SEWER IS PROVIDED BY WINDERMERE OAKS WATER SUPPLY CORPORATION THE COUNTY SHALL NOT BE RESPONSIBLE FOR THE QUANTITY OR QUALITY OF A RELIABLE WATER SOURCE.
3. GARBAGE PICKUP IS AVAILABLE BY A COMMERCIAL FIRM.
4. IN APPROVAL OF THIS PLAT BY THE COMMISSIONER'S COURT OF BURNET COUNTY, TEXAS, IT IS UNDERSTOOD THAT BUILDING AND MAINTENANCE OF ALL STREETS, ROADS AND OTHER PUBLIC THOROUGHFARES DELINEATED AND SHOWN ON THIS PLAT, AND BRIDGES AND CULVERTS NECESSARY TO BE CONSTRUCTED OR PLACED IN SUCH STREETS, ROADS AND OTHER THOROUGHFARES OR IN CONNECTION THEREWITH SHALL BE THE RESPONSIBILITY OF THE PROPERTY OWNERS OR DEVELOPERS OF THE TRACT OF LAND COVERED BY THIS PLAT ACCORDING TO THE PLANS AND SPECIFICATIONS PRESCRIBED BY THE COMMISSIONER'S COURT OF BURNET COUNTY, TEXAS THE COUNTY SHALL NOT ACCEPT ALL OR A PORTION OF THE ROADS IN THIS SUBDIVISION FOR MAINTENANCE
5. THIS PLAT WAS PREPARED IN CONFORMANCE WITH THE BURNET COUNTY SUBDIVISION REGULATIONS DATED JANUARY 28, 2002.
6. THIS TRACT IS NOT WITHIN THE 100-YEAR FLOODPLAIN AS SHOWN ON THE FEDERAL FLOOD INSURANCE RATE MAP NO 48053C 0705 F, DATED 3-15-2012.
7. LCRA DEVELOPMENT PLAT NOTE. ALL PROPERTY HEREIN IS SUBJECT TO THE LOWER COLORADO RIVER AUTHORITY'S HIGHLAND LAKES WATERSHED ORDINANCE. WRITTEN NOTIFICATION AND/OR PERMITS ARE REQUIRED PRIOR TO COMMENCING ANY DEVELOPMENT ACTIVITIES. CONTACT LCRA WATERSHED MANAGEMENT AT 1-800-776-5272, EXTENSION 2324 FOR MORE INFORMATION
8. BURNET COUNTY IS NOT OBLIGATED TO ISSUE BUILDING OR OTHER ON-SITE PERMITS FOR ANY RESIDENTIAL DWELLING CONSTRUCTED OR PLACED IN THIS SUBDIVISION UNTIL A T.E.C.Q. CERTIFIED POTABLE WATER TREATMENT PLANT WITH SUFFICIENT CAPACITY TO MEET THE DEMANDS OF THIS SUBDIVISION IS IN PLACE, OPERABLE AND APPROVED BY T.E.C.Q. FOR THE PROVISION OF POTABLE WATER DELIVERY.
9. NO PORTION OF THIS SUBDIVISION LIES WITHIN THE EXTRATERRITORIAL JURISDICTION OF A MUNICIPALITY
10. ELECTRICAL SERVICE WILL BE PROVIDED BY PEDERNALES ELECTRIC COOP.
11. TELEPHONE SERVICE WILL BE PROVIDED BY VERIZON



FILED AND RECORDED



OFFICIAL PUBLIC RECORD  
March 03, 2016 10:19:41 AM  
FILED \$50.00  
Janet Parker, County Clerk  
Burnet County, Texas

STATE OF TEXAS. COUNTY OF BURNET:

The attached plot to be known as "TRACT H ON PIPER LANE" was found to comply with the statutes and laws of the State of Texas and was approved for filing in the Plat Records of Burnet County, Texas

TO CERTIFY WHICH, THE UNDERSIGNED AS COUNTY JUDGE OF BURNET COUNTY, TEXAS

THIS 8<sup>TH</sup> DAY OF MARCH 2016

APPROVED BY

Don Dockery, County Commissioner,  
Precinct 4, Burnet County, Texas

James Oakley, County Judge  
Burnet County, Texas

STATE OF TEXAS COUNTY OF BURNET:

I, Stuart Watson, a Registered Professional Land Surveyor in the State of Texas, do hereby certify that this plat of "TRACT H ON PIPER LANE" was prepared from an actual survey made on the ground under my supervision, and that said plat is a true and correct representation of same as I located its component parts on the ground.

WITNESS MY HAND AND OFFICIAL SEAL this 23 day of FEBRUARY 2016

WATSON SURVEYING  
8501 CAPITAL OF TEXAS HWY.  
SUITE 303 AUSTIN TX 78759  
346-8586 FAX 346-8588

Stuart Watson  
R.P.L.S. No 4550



Exhibit 2

2 pgs  
D

201604126

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

37112/STC

**WARRANTY DEED**

DATE: March 11, 2016

GRANTOR: WINDERMERE OAKS WATER SUPPLY CORPORATION,  
A Texas Corporation,

GRANTOR'S MAILING ADDRESS: 424 COVENTRY RD., SPICEWOOD, TX, 78669

GRANTEE: FRIENDSHIP HOMES &amp; HANGARS, LLC

GRANTEE'S MAILING ADDRESS: 424 COVENTRY ROAD, SPICEWOOD, TX,  
78669

CONSIDERATION: TEN AND NO/100 (\$10.00) DOLLARS, and other valuable consideration paid to Grantor, and the receipt of which is hereby duly acknowledged and for which no lien either express or implied is herein retained, has granted sold and conveyed by these presents does hereby grant, sell and convey to the grantee all of the following tracts or parcels of land, to-wit:

PROPERTY (including any improvements): Being Tract H1, of Tract H on Piper Lane, a subdivision in Burnet County, Texas, according to the Plat recorded in Clerk's Document No. 201601994, Official Public Records of Burnet County, Texas.

**RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY:**

1. The property shall not be used for any type of helicopter use.
2. Any and all restrictions, covenants, conditions, assessments, reservations and easements, if any, relating to the hereinabove described property, but only to the extent they are still in effect, shown of record in the herein mentioned County and State, and to all zoning laws, regulations and ordinances of municipal and/or other governmental authorities, if any, but only to the extent that they are still in effect, relating to the herein

Exhibit 3

described property.

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, grants, sells, and conveys to Grantee the property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the property to Grantee and Grantee's heirs, executors, administrators, successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to conveyance and warranty.

When the context requires, singular nouns and pronouns include the plural.

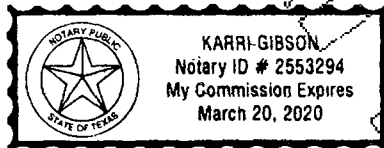
WINDERMERE OAKS WATER SUPPLY CORPORATION  
A Texas Corporation,

  
By: Robert Mebane, President

STATE OF TEXAS

COUNTY OF BURNET

This instrument was acknowledged before me on the 15<sup>th</sup> day of March, 2016, by Robert Mebane, President of WINDERMERE OAKS WATER SUPPLY CORPORATION, a Texas Corporation.



  
Notary Public, State of Texas

2



FILED AND RECORDED  
OFFICIAL PUBLIC RECORDS

  
Janet Parker, County Clerk

Burnet County Texas

5/4/2016 4:08:36 PM

FEE: \$20.00

D

201604126

7e



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201602256

2 PGS

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS - YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

GF NO. 37112 ST2

**WARRANTY DEED WITH VENDOR'S LIEN**  
(Vendor's Lien Reserved and Assigned to Third Party Lender)

THE STATE OF TEXAS

COUNTY OF BURNET

KNOW ALL MEN BY THESE PRESENTS:

THAT THE UNDERSIGNED, WINDERMERE OAKS WATER SUPPLY CORPORATION, a Texas Corporation, hereinafter called "Grantor", whether one or more, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other valuable consideration to the undersigned in hand paid by the Grantee herein named, the receipt of which is hereby acknowledged, and the further consideration of the execution and delivery by the Grantee of that one certain promissory note of even date herewith in the principal sum of Two Hundred Thousand and 00/100 (\$200,000.00) Dollars, payable to the order of ANNE MCCLURE WHIDDEN TRUST, as therein specified, providing for acceleration of maturity and for attorney's fees, the payment of which note is secured by the vendor's lien herein retained, and is additionally secured by a deed of trust of even date herewith to MARK E. MCCLURE, TRUSTEE, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto FRIENDSHIP HOMES & HANGARS, LLC, herein referred to as the "Grantee", whether one or more, the real property described as follows, to-wit:

Being Tract H2, of Tract H on Piper Lane, a subdivision in Burnet County, Texas, according to the Plat recorded in Clerk's Document No. 201601994, Official Public Records of Burnet County, Texas.

This conveyance, however, is made and accepted subject to:

1. The Property shall be not used for any type of helicopter use.
2. Grantor retains a Fifty Foot (50') access easement over and across the West Property Line of Tract H2 as shown by plat recorded in Clerk's Document No. 201601994, Official Public Records of Burnet County, Texas.
3. Any and all restrictions, encumbrances, easements, covenants and conditions, if any, relating to the hereinabove described property as the same are filed for record in the County Clerk's Office of Burnet County, Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said Grantee, Grantee's heirs, executors, administrators, successors and/or assigns forever, and Grantor does hereby bind Grantor and Grantor's heirs, executors, administrators, successors and/or assigns to WARRANT AND FOREVER DEFEND all and singular the said premises unto the said Grantee, Grantee's heirs, executors, administrators, successors and/or assigns, against every person whomsoever claiming or to claim the same or any part thereof.

But it is expressly agreed that the Vendor's Lien, as well as Superior Title in and to the above described premises, is retained against the above described property, premises and improvements until the above described note and all interest thereon are fully paid according to the face, tenor, effect and reading thereof, when this Deed shall become absolute. That ANNE MCCLURE WHIDDEN TRUST ("Lender"), at the instance and request of the Grantee herein, having advanced and paid in cash to the Grantor herein that portion of the purchase price of the herein described property as is evidenced by the hereinabove described Note, the Vendor's Lien, together with the Superior Title to said property, is retained herein for the benefit of said Lender and the same are hereby TRANSFERRED AND ASSIGNED to said Lender, its successors and assigns.

EXECUTED this 11th day of March, 2016.

WINDERMERE OAKS WATER SUPPLY CORPORATION  
a Texas Corporation

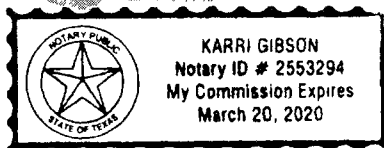
By: Robert Mebane, President

Grantee's Address:  
424 COVENTRY ROAD  
SPICEWOOD, TX 78669

STATE OF TEXAS

COUNTY OF BURNET

The foregoing instrument was acknowledged before me on the 11th day of March, 2016, by Robert Mebane, President of Windermere Oaks Water Supply Corporation, a Texas Corporation.



NOTARY PUBLIC, STATE OF TEXAS

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS



March 14, 2016 03:49:01 PM

FEE \$20.00

Janet Parker, County Clerk

Burnet County, Texas

201602256

## OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT

THE STATE OF TEXAS

COUNTY OF BURNET

KNOW ALL MEN BY THESE PRESENTS:

This agreement is entered, executed and made this 10th day of March, 2016, at Marble Falls, Burnet County, Texas by Windermere Oaks Water Supply Corporation, Grantor and Friendship Homes & Hangars, LLC, Grantee

WHEREAS, Grantor is the owner of certain real property located in Burnet County, Texas, hereinafter referred to as "the property" and being described as follows:

Tract I: Being the remainder of the 7.0255 acres tract located in the Maria Salinas Survey No. 17 in Burnet County, Texas, currently owned by Windermere Oaks Water Supply Corporation.

Tract II: Being a 4.027 acres tract located in the Maria Salinas Survey No. 17, in Burnet County, Texas, currently owned by Windermere Oaks Water Supply Corporation

WHEREAS, Grantor has agreed and wishes to grant to Grantee a exclusive right of first refusal in connection with the hereinabove described real property, without Grantee becoming obligated to purchase said property:

THEREFORE IT IS AGREED AS FOLLOWS:

1 In consideration of Ten Dollars (\$10.00) and other valuable consideration, the receipt of which is hereby acknowledged, Grantor hereby grants to Grantee the exclusive right and option of first refusal in the event Grantor, his heirs or assigns ever sells the property described herein

2 In the event Grantor, his heirs or assigns should enter into any agreement or contract to sell part or all of the property herein described, Grantor shall notify Grantee, his heirs or assigns in writing by certified mail, to the address shown for Grantee hereinafter, or to such address as Grantee may designate to Grantor in writing, the complete terms and conditions of the agreement or contract of sale. Grantee shall have 10 days from receipt of such notice of sale, to advise Grantor if Grantee elects to exercise this exclusive right of first refusal. In the event Grantee elects to exercise his rights herein, Grantee shall notify Grantor by certified mail within the said 10 day period, and shall then proceed to close the transaction under the terms and conditions of the existing agreement or contract of sale. Should the Grantee elect not to exercise his first right of refusal, he shall so notify Grantor, and Grantor shall thereafter be free to proceed under the terms and conditions of the original offer of purchase and have no further obligations under this agreement to Grantee. In the event Grantee fails to advise Grantor of his intentions within the 10 day period, Grantee shall be deemed to have waived all rights under this agreement, and Grantor shall have no further obligations to Grantee and may proceed to close the transaction without any further notice or obligation to Grantee.

3 Grantor and Grantee agree to record a memorandum of this agreement in the Official Public Records of Burnet County, Texas. The intent of this agreement is to grant Grantee



the right and option to purchase the property should Grantor ever decide to sell or transfer same

4. This right of first refusal shall remain in effect so long as Grantor, his successors or assigns shall hold title to the herein described real property, or at the end of 20 years from the date hereof, whichever shall first occur.

EXECUTED THIS 10th DAY OF MARCH, 2016

Windermere Oaks Water Supply Corporation

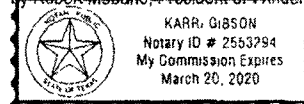
  
Robert Mebane, President, Grantor

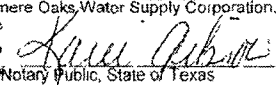
Friendship Homes & Hangars, LLC

  
Dana Martin, Manager, Grantee

STATE OF TEXAS  
COUNTY OF BURNET

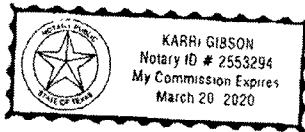
This instrument was acknowledged before me on the 13<sup>th</sup> day of March, 2016 by Robert Mebane, President of Windermere Oaks Water Supply Corporation.



  
Notary Public, State of Texas

STATE OF TEXAS  
COUNTY OF BURNET

This instrument was acknowledged before me on the 13<sup>th</sup> day of March, 2016 by Dana Martin, Manager of Friendship Homes & Hangars, LLC



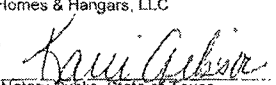
  
Notary Public, State of Texas

EXHIBIT P-3



3 pgs

201703209

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**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS - YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

GF NO 38818 STC

**WARRANTY DEED WITH VENDOR'S LIEN**  
(Vendor's Lien Reserved and Assigned to Third Party Lender)

THE STATE OF TEXAS

§  
§  
§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF BURNET

THAT THE UNDERSIGNED, FRIENDSHIP HOMES & HANGARS, LLC, a Texas limited liability company, hereinafter called "Grantor", whether one or more, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other valuable consideration to the undersigned in hand paid by the Grantee herein named, the receipt of which is hereby acknowledged, and the further consideration of the execution and delivery by the Grantee of that one certain promissory note of even date herewith in the principal sum of One Hundred Thousand and 00/100 (\$100,000.00) Dollars, payable to the order of THE ANNE MCCLURE WHIDDEN TRUST, as therein specified, providing for acceleration of maturity and for attorney's fees, the payment of which note is secured by the vendor's lien herein retained, and is additionally secured by a deed of trust of even date herewith to MARK MCCLURE, TRUSTEE, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto JOHANN MAIR and MICHAEL MAIR, herein referred to as the "Grantee", whether one or more, the real property described as follows, to-wit:

Being Tract H2-A, Replat of Tract H1 and H2, Tract H on Piper Lane, a subdivision in Burnet County, Texas, according to the Plat recorded in Clerk's Document No. 201700783, Official Public Records of Burnet County, Texas.

Grantor reserves unto itself, its successors and/or assigns the right to use the Non-exclusive road and taxiway easement over and across Tract H2-A.

Grantee, its successors and assigns are obligated to pay all Class "A" dues and Assessments in the Spicewood Pilot's Association, Inc., a Texas non-profit Corporation, including enforcement of Class "B" Membership on Grantee's tenants. Membership in the Spicewood Pilot's Association entitles members the easement of enjoyment as well as an easement of ingress and egress in, to and over Spicewood Pilot's Association Common Area and Facilities. Furthermore, no helicopters shall ever be allowed to be kept or used on said property being purchased.

This conveyance is made and accepted subject to any and all restrictions, encumbrances, easements, covenants and conditions, if any, relating to the hereinabove described property as the same are filed for record in the County Clerk's Office of Burnet County, Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said Grantee, Grantee's heirs, executors,



administrators, successors and/or assigns forever; and Grantor does hereby bind Grantor and Grantor's heirs, executors, administrators, successors and/or assigns to WARRANT AND FOREVER DEFEND all and singular the said premises unto the said Grantee, Grantee's heirs, executors, administrators, successors and/or assigns, against every person whomsoever claiming or to claim the same or any part thereof.

But it is expressly agreed that the Vendor's Lien, as well as Superior Title in and to the above described premises, is retained against the above described property, premises and improvements until the above described note and all interest thereon are fully paid according to the face, tenor, effect and reading thereof, when this Deed shall become absolute. That THE ANNE MCCLURE WHIDDEN TRUST ("Lender"), at the instance and request of the Grantee herein, having advanced and paid in cash to the Grantor herein that portion of the purchase price of the herein described property as is evidenced by the hereinabove described Note, the Vendor's Lien, together with the Superior Title to said property, is retained herein for the benefit of said Lender and the same are hereby TRANSFERRED AND ASSIGNED to said Lender, its successors and assigns.

EXECUTED this 3rd day of April, 2017.

FRIENDSHIP HOMES & HANGARS, LLC  
a Texas limited liability company,

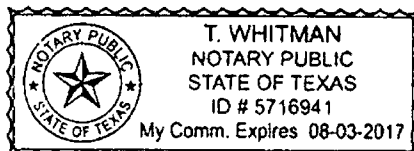
  
Dana Martin, Manager

Grantee's Address:  
3710 MASTER COURT  
LEAGUE CITY, TX 77573

STATE OF TEXAS

COUNTY OF BURKE

The foregoing instrument was acknowledged before me on the 3rd day of April, 2017, by Dana Martin, Manager of Friendship Homes & Hangars, LLC., a Texas limited liability company.



  
NOTARY PUBLIC, STATE OF TEXAS



FILED AND RECORDED  
OFFICIAL PUBLIC RECORDS

*Janet Parker*

Janet Parker, County Clerk

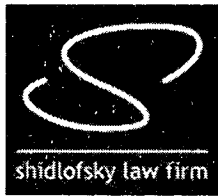
Burnet County Texas

4/3/2017 3:53.01 PM

FEE \$20.00

201703209

Unofficial Document



Greystone Plaza  
7200 North Mopac Expressway, Suite 430  
Austin, Texas 78731  
t. 512.685.1400 f. 866.232.8412

Blake H. Crawford  
blake@shidlofskylaw.com

May 18, 2020

**VIA E-MAIL: pflynn@networkadjusters.com**

ALLIED WORLD SPECIALTY INSURANCE COMPANY  
c/o Mr. Pete Flynn  
General Adjuster  
NETWORK ADJUSTERS, INC./APR CLAIMS  
8055 Tufts Avenue, Suite 600  
Denver, Colorado 80237

Re: Named Insured: Windermere Oaks Water Supply Corporation  
Matter: *Rene Ffrench, et al. v. Friendship Homes & Hangars, LLC, et al.*;  
Cause No. 48292 in the 33rd Judicial District Court of Burnet  
County, Texas (the "Underlying Lawsuit")  
Insurer: Allied World Specialty Insurance Company ("Allied World")  
Policy Number: 5105-0560-03  
Policy Period: March 17, 2016 to March 17, 2017  
Your Claim No.: 2017001776

Dear Mr. Flynn:

This firm has been retained to represent Windermere Oaks Water Supply Corporation (the "WSC") and its current and former directors who are named as defendants in the above-referenced Underlying Lawsuit. Those current and former directors are Dana Martin, William Earnest, Thomas Michael Madden, Robert Mebane, Patrick Mulligan, Joe Gimenez, David Bertino, Mike Nelson, Dorothy Taylor, and Norman Morse (the "Director Defendants").

By letter dated December 19, 2019, Allied World denied coverage for the WSC and the Director Defendants under policy number 5105-0560-03 with respect to the Second Amended Original Complaint filed in the Underlying Lawsuit. After a review of the analysis set forth in that letter, the WSC and the Director Defendants believe that Allied World has reached an erroneous position as it relates to their defense in the Underlying Lawsuit. Please consider the following:

**FACTUAL BACKGROUND**

There are numerous factual allegations in the Second Amended Original Petition. These allegations give rise to potential covered liability, thereby implicating Allied World's complete duty to defend the insureds. We have highlighted herein those pertinent to the coverage provided by the Allied World policy. Please also note that WSC and the Director Defendants dispute the allegations in the pleading. Nevertheless, these allegations govern Allied World's defense

Mr. Pete Flynn  
May 18, 2020  
Page 2 of 15

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obligations. No statement herein should be deemed as an agreement with or in any way conceding any allegation made in the pleading.

The Intervenor Plaintiffs are Rene Ffrench, John Richard Dial, and Stuart Bruce Sorgen (“Intervenors”), who, according to their pleading, are members/customers and owners of the assets and revenues of the water supply and sewer service cooperative (the “Cooperative”) operated through the instrumentality known as the WSC. The named defendants in the Second Amended Original Petition filed in the Underlying Lawsuit are the WSC, the Director Defendants, and Friendship Homes & Hangars, LLC (“FHH”).

Intervenors assert that the individual defendants are sued in their official capacities as current or former Directors and/or Officers of the WSC, and also in their individual capacities. In the preliminary portion of the pleading, Intervenors assert that the business judgment rule does not affect their recovery,

because (i) the acts and omissions alleged herein resulted from ultra vires acts, fraud and/or self-dealing, were grossly negligent, constituted an abdication of their responsibilities or otherwise were not within the exercise of the individual Defendants’ discretion and judgment, therefore the rule is inapplicable; (ii) there is no presumption of lawfulness in connection with the individual Defendants’ acts and omissions alleged herein; (iii) the acts and omissions alleged herein involve assets or property (including causes of action) that belong to the Owners, and not to some corporate entity; and (iv) the acts and omissions alleged herein were not within the honest exercise of the individual Defendants’ business judgment and discretion.

In 2013, the WSC Board voted to upgrade the WSC’s wastewater treatment facilities and relocate them from an approximately 10-acre tract within the Spicewood Airport community (hereinafter, the “Airport Tract”). The Directors agreed unanimously that relocating the facilities to an area east of Exeter Road would free the valuable Airport Tract for sale, which was considered the “highest and best use” of the Tract. The sale of the 10-acre Airport Tract allegedly was identified as one of the key components for funding the upgraded wastewater treatment plant improvements and other Cooperative needs.

The Board allegedly committed to the owners that the Airport Tract would be sold for the best possible price, and the proceeds would be used to defray the cost of the new facilities and for other Cooperative purposes. Intervenors assert that, following the August 2013 meeting, Directors Mulligan, Earnest, and Madden claimed to have gathered deeds and other records in preparation to engage a real estate professional to market the Airport Tract. At the Board’s February 18, 2014 meeting, Mulligan allegedly was directed to obtain a survey and appraisal of the land to be sold. Intervenors assert that these Directors did none of these things.

According to Intervenors, the Board never listed, advertised, or marketed the Airport Tract. While some Directors have claimed that they allegedly spoke with unidentified “real estate

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people.” Intervenors assert that the Directors never actually marketed the Airport Tract for sale to the highest bidder. Around this same time, Martin, a local real estate agent and an owner of Windermere Airport, LLC (“Windermere Airport”), purportedly put together a proposal for the purchase by Windermere Airport of a 0.558-acre tract within the Airport Tract from the Windermere Oaks Property Owners’ Association (“POA”) at “fair market value.”

POA members were using a 30,000 square foot portion of the Airport Tract for storage of boats and other items (the “Storage Tract”). By e-mail dated April 3, 2014, Taylor notified Mebane of the Board’s vote to market the Airport Tract as a single parcel and requested that the POA items be removed from the Storage Tract. According to Intervenors, Taylor expressly acknowledged the Board’s “fiduciary responsibility to our members,” which prohibited the Board from taking any action that would “compromise our ability to obtain the ‘best’ offer from any potential buyer.”

Around this same time, Martin (who was not yet on the WSC Board) became involved in the POA’s efforts to acquire the Storage Tract from the WSC. In this process, Martin obtained a copy of the WSC’s 2006 appraisal of a 7-acre vacant portion of the Airport Tract, including the Storage Tract. The appraisal concluded that, as of December 1, 2006, the vacant 7-acre portion was worth \$350,000, or \$1.15 per square foot, for light industrial development (*i.e.*, as a hangar) specifically related to the airport. In late 2014, the TCEQ approved the WSC’s Closure Plan for the old wastewater treatment plant. This, according to Intervenors should have cleared the way for prompt and aggressive marketing and sale of the Airport Tract. The Directors, however, allegedly never followed through with any listing or other marketing.

Martin was elected to the WSC’s Board in 2015. Shortly thereafter, she allegedly took actions associated with a portion of land known as Tract G, a Cooperative-owned hangar lot across from the Airport Tract, for \$95,000, which equaled \$12.75 per square foot. Intervenors allege that there is no record the Board ever voted on, or even considered, any transaction involving Tract G.

Thereafter, Martin allegedly was again involved with efforts by the POA to purchase the Storage Tract. The POA’s proposed price was around \$20,000 - \$25,000, or in the range of \$0.66 - \$0.83 per square foot. The minutes of the Board’s July 16, 2015 meeting reflect that the Directors (including Martin, Mebane, Earnest, Madden and Mulligan) discussed the POA’s offer in executive session but took no action. Intervenors assert that the Board rejected the POA’s offer.

At some point thereafter, Martin presented the other Directors with a “Purported Appraisal” of the Airport Tract. This Purported Appraisal was never considered by the Board, as it did not reflect the fair market value of the Airport Tract. Moreover, there was no indication that the Board ever professionally listed or marketed the Airport Tract, or that the Board ever fielded any offers or negotiated for sale of the Airport Tract.

In March 2016, Martin allegedly began efforts to purchase the Airport Tract. Intervenors allege that she was involved as both seller and purchaser. Martin apparently indicated that Mebane (then Board President) decided by himself that the Airport Tract should not be sold as a single parcel, as the Board had planned for years. Rather, Martin allegedly claimed that Mebane

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determined that the Board should dispose of the “most valuable and desirable 3.8 acres of the Airport Tract with all of the Airport Tract’s frontage along the Piper Lane taxiway to a sitting WSC Director for a fraction of its market value.” Martin claimed that the March 2016 transaction was “negotiated” and that she made a “good faith” offer to purchase, which was countered by other Directors. Intervenors assert that the Board’s records are devoid of any such negotiations.

According to Intervenors, the “disinterested Directors” were the same that had acknowledged a duty to market the Airport Tract as a whole to obtain the best possible offer and were aware that the Board had conveyed a comparable property for \$12.75 per square foot. None of the Directors allegedly disclosed to the Owners prior to the Board’s December 19, 2015 meeting that they intended to authorize the piecemeal transfer of the Airport Tract and all of the taxiway frontage for a fraction of the comparable property. The proposed transaction was never mentioned as a discussion or action item on any posted meeting agenda for any Board meeting. Instead, the Board allegedly raised the topic out of the blue at its regular meeting on December 19, 2015, and, after a 5-minute executive session, Mebane, Madden and Mulligan unanimously voted to accept an offer from Martin on behalf of FHH to carve off the frontage and separate the remainder of the Airport Tract from all taxiway access for a “net price” of \$200,000, or \$1.19 per square foot. Intervenors allege that there was no “appropriate resolution” to approve this sale. Moreover, the Board did not allegedly fulfill the special conditions required to approve an interested Director transaction.

Prior to closing, Martin subdivided the land she intended to purchase into two platted hangar lots. Mebane, as WSC President, signed Martin’s subdivision plat on March 3, 2016. The plat was approved and recorded on March 8, 2016. The plat Martin prepared and processed, and that Mebane signed on behalf of the WSC, allegedly failed to reserve a taxiway for the remainder of the Airport Tract. Intervenors allege that there are no posted records reflecting a resolution to adopt the land transfer to Martin.

On or about March 13, 2016, Mebane and Madden allegedly executed and delivered a document purporting to be a resolution in which they “certified,” as President and Secretary of the WSC, respectively, that the resolution stated therein was “an accurate reproduction of the one made” by the Board and was “legally adopted on the date of the [February 22, 2016] meeting of the Board of Directors, which was called and held in accordance with the law and the bylaws of the corporation, at which a quorum was present.” The resolution described the property to be conveyed as two platted hangar lots by reference to the recorded plat, not as unplatted acreage. However, Intervenors allege that no resolution was actually adopted at the February 22, 2016 meeting or any other time. Intervenors concede in their pleading that the two deeds conveyed the platted hangar lots to FHH, not Martin individually. Thus, it is unknown whether and to what extent Martin has invested her own resources in the transaction.

Moreover, Intervenors allege that “some or all the proceeds from Martin’s acquisition of the hangar lots were used to make a balloon payment on the WSC’s existing debt.” This was due, in part to the WSC might not being able to make its debt service obligation without the proceeds from 2016 transaction. Intervenors dispute this, but assert that “[i]f that is true, then the Director

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Defendants who created that situation have far more to answer for that the 2016 fire sale. They had no authority to incur debt on behalf of the organization without adequate provision for repayment in accordance with the loan agreement.” Intervenors assert that the Directors had a duty to monitor the Cooperative’s financial performance and to make adjustments in the debt service plan as needed. Intervenors assert that the Directors cannot rationalize the sale of valuable Cooperative assets to mitigate the consequences of their other purported misconduct.

Intervenors continue:

Had the WSC’s fiduciaries followed through on the plan to market the Airport Tract as a whole and sell it for the highest possible price, the WSC could have retired all of its outstanding debt in March 2016 and had a tidy sum left over to pay additional facilities costs, to acquire and/or upgrade equipment required to provide the Cooperative services in compliance with applicable laws and regulations, to establish or increase the reserve fund set aside for future system upgrades and improvements and to meet any number of other Cooperative needs.

Instead, according to Intervenors, the Owners collectively sustained an immediate loss of \$500,000 in cash when the Board sold the portion of the Airport Tract with the taxiway frontage. Moreover, the remainder of the Airport Tract “was rendered unmarketable and its value instantly diminished by \$640,000” when it was separated from taxiway access.

Martin allegedly later replatted the hanger lots again to create a third hangar lot, which was conveyed to Johann and Michael Mair. The Mair property is where Martin’s “Amended and Superseding Agreement” apparently proposes to locate an access easement and setback to provide a taxiway to the remainder tract.

During this same time, the WSC still allegedly has debt outstanding and incurred additional debt to pay expenses that could and should have been covered by the proceeds from the sale of the Airport Tract. The Board allegedly has struggled with strategies to restructure the debt. Intervenors assert that “the Directors do not seem to appreciate that the WSC is not permitted to have outstanding debt just because it can. The Board has postponed needed repairs and the acquisition of a generator and other equipment needed to provide the Cooperative services and to remain in compliance with applicable regulations.” At the same time, the Board allegedly has raised rates, service fees, and membership fees. Moreover, the Board also allegedly has allowed the Cooperative to become financially dependent on the “extremely questionable practice of collecting standby fees from nonpatrons.”

The Board’s composition changed in 2018. At that time, the Board allegedly investigated the March 2016 transaction, engaging a professional forensic appraiser to analyze the financial impact of the sale. The accountant’s report allegedly confirmed that the Owners sustained an immediate loss of more than \$1,000,000.

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Intervenors allege that the March 2016 fire sale was unauthorized, improper and unfair to the Owners and involved breaches of fiduciary duty and other misconduct by Directors. The newly constituted Board allegedly determined that its fiduciary duties required prompt efforts to recover the misappropriated property or to otherwise make the Owners whole by pursuing “all available avenues of relief.” Intervenors assert that “[b]y all appearances, the Directors were doing exactly what their duties required of them. Those Directors (including Bertino, Morse and Nelson) allegedly “engaged independent qualified professionals to analyze the facts and to advise them,” and upon receiving advice, the Directors prepared to move forward against Martin, FHH and others.

Intervenors assert that the Directors abruptly ceased all efforts to pursue recovery for the Owners’ \$1,000,000 loss and all other relief to which the Owners are entitled. According to Intervenors, they do not know why this decision was made. Nor is it known why the Directors embraced and defended the “unfaithful fiduciaries who caused the loss to begin with.” There was another Director election in 2019. Earnest, who had gone off the Board, was elected to serve as a Director again. Bertino, Morse and Nelson continued on the Board. The WSC’s leadership allegedly continued to use Cooperative resources to oppose efforts to restore the Owners’ misappropriated property.

Intervenors allege that the Defendants engaged in various *ultra vires* acts in violation of Section 20.002(c) of the Texas Business Organizations Code. This includes the unauthorized conveyance of property; improper use of Cooperative assets; improper disbursement of Cooperative assets to benefit the Directors; and failure to recover loss. Intervenors also allege that the Directors breached their fiduciary duty to the WSC. There is also an allegation of constructive fraud against the Directors. Incorporating by reference all of the factual allegations described above, Intervenors specifically seek “actual damages from the Directors based on the alleged breach of fiduciary duties.” Intervenors also seek exemplary damages and attorneys’ fees, as permitted by law.

### **INSURANCE INFORMATION**

The December 19, 2019 letter addresses only policy number 5105-0560-03, which was in effect for the policy period from March 17, 2016 to March 17, 2017. As Allied World concedes in its coverage letter, the Second Amended Original Petition includes numerous factual allegations that are asserted for the first time in that particular pleading. These claims relate back to the claims first asserted in January 2017. As Allied World appears to concede, these new claims relate back to the claims first made and timely submitted to Allied World under policy number 5105-0560-03 (effective for the policy period from March 17, 2016 to March 17, 2017) (hereinafter, the “Policy”).

The Policy has the Public Officials and Management Liability Coverage Form claims-made coverage form (the “POML Coverage”), which provides coverage for Wrongful Acts, subject to a limit of \$1,000,000 for each claim, and coverage for Injunctive Relief, subject to a limit of \$5,000 for each action for injunctive relief. The POML Coverage is subject to a \$3,000,000 aggregate



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limit for all Claims, all Wrongful Acts, and Offenses, and all Actions for Injunctive Relief. The retroactive date is identified as March 17, 2000.

### **TEXAS DUTY TO DEFEND STANDARD**

The duty to defend is a “creature of contract” arising from a liability insurer’s agreement to defend its insured against claims or suits seeking potentially covered damages.<sup>1</sup> This defense requirement of a liability policy is “a valuable benefit granted to the insured by the policy.”<sup>2</sup> To determine whether there is a duty-to-defend, Texas courts follow the “eight corners” rule, also known as the complaint-allegation rule.<sup>3</sup> Under this rule, an insurer’s duty to defend is determined by the factual allegations in the pleadings, considered in light of the provisions in the policy, without regard to the truth or falsity of those allegations.<sup>4</sup> Thus, even if the allegations in the pleadings are groundless, false, or fraudulent, the insurer is obligated to provide the insured with a defense.<sup>5</sup> Importantly, Texas courts construe the allegations in the pleadings liberally in favor of coverage and resolve all doubts regarding the duty to defend in favor of the insured.<sup>6</sup>

“Under Texas law, it is well settled that an insurer owes a duty to defend its insured against any allegations that are covered by the policy.”<sup>7</sup> To this extent, an insurer is obligated to provide a complete defense to its insured so long as one allegation in the complaint falls within the policy’s coverage.”<sup>8</sup> While courts cannot read facts into pleadings or imagine factual scenarios, a court must draw inferences from the factual allegations in the pleading “that may lead to a finding of coverage.”<sup>9</sup> Put simply, the Fifth Circuit has offered insurers the following advice: “When in doubt, defend.”<sup>10</sup>

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<sup>1</sup> *Loya Ins. Co. v. Avalos*, No. 18-0837, 2020 WL 2089752, at \*2 (Tex. May 1, 2020); *Richards v. State Farm Lloyds*, 597 S.W.3d 492, \_\_\_ (Tex. 2020).

<sup>2</sup> *Richards*, 597 S.W.3d at \_\_\_ (quoting *Pine Oak Bldrs., Inc. v. Great Am. Lloyds Ins. Co.*, 279 S.W.3d 650, 655 (Tex. 2009)).

<sup>3</sup> *Zurich Am. Ins. Co. v. Nokia, Inc.*, 268 S.W.3d 487, 491 (Tex. 2008).

<sup>4</sup> *GuideOne Elite Ins. Co. v. Fielder Rd. Baptist Church*, 197 S.W.3d 305, 308 (Tex. 2006).

<sup>5</sup> *Avalos*, 2020 WL 2089752, at \*2; *Richards*, 597 S.W.3d at \_\_\_; *Nokia*, 268 S.W.3d at 491.

<sup>6</sup> *King v. Dallas Fire Ins. Co.*, 85 S.W.3d 185, 187 (Tex. 2002); *Union Fire Ins. Co. v. Merchs. Fast Motor Lines, Inc.*, 939 S.W.2d 139, 141 (Tex. 1997); *Gore Design Completions, Ltd. v. Hartford Fire Ins. Co.*, 538 F.3d 365, 369 (5th Cir. 2008) (recognizing that the “eight corners” rule is “very favorable to insureds because doubts are resolved in the insured’s favor”).

<sup>7</sup> *Downhole Navigator, L.L.C. v. Nautilus Ins. Co.*, No. 4:10-0695, 2011 WL 4889125, at \*5 (S.D. Tex. May 9, 2011) (citing *Merchs. Fast Motor Lines*, 939 S.W.2d at 141), *aff’d*, 686 F.3d 325 (5th Cir. 2012).

<sup>8</sup> See *Canutillo Indep. Sch. Dist. v. Nat’l Union Fire Ins. Co. of Pittsburgh, Pa.*, 99 F.3d 695, 701 (5th Cir. 1996); *Downhole Navigator, L.L.C.*, 2011 WL 4889125, at \*5; *Am. Eagle Ins. Co. v. Nettleton*, 932 S.W.2d 169, 173 (Tex. App.—El Paso 1996, writ denied).

<sup>9</sup> *Gore*, 538 F.3d at 369.

<sup>10</sup> *Id.*

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### **ALLIED WORLD HAS BREACHED ITS DUTY TO DEFEND**

The Coverage A. Insuring Agreement of the POML Coverage states, in relevant part:

**A. COVERAGE A. INSURING AGREEMENT – LIABILITY FOR MONETARY DAMAGES**

1. We will pay those sums that the insured becomes legally obligated to pay as “damages” arising out of a “claim” for:
  - a. a “wrongful act,” or

\* \* \*

We will have the right and duty to defend any “claim” seeking those “damages.” However, we will have no duty to defend the insured against any “claim” seeking “damages” for a “wrongful act” . . . .

\* \* \*

**A. The Requirements of the Insuring Agreement are Satisfied**

In the Second Amended Original Petition, Intervenor seek “damages”<sup>11</sup> arising out of a “claim” for a “wrongful act.” In fact, the pleading contains allegations of multiple “wrongful acts.” In its coverage letter, Allied World concedes this issue, expressly recognizing that the requirements to trigger the Coverage A Insuring Agreement are met. Moreover, Allied World does not contest that Director Defendants qualify as insureds. Rather, we understand that Allied World is basing its denial on what it identifies as “seven (7) enumerated exclusions that will give preclusive effect to a coverage grant.” Under Texas law, Allied World has the burden to establish that an exclusion precludes coverage.<sup>12</sup> Allied World cannot meet this burden based on the allegations in the live pleading.

**B. The “Profit, Advantage or Remuneration” Exclusion**

First, Allied World relies on the “Profit, Advantage or Remuneration” Exclusion as a basis to deny coverage. That exclusion states:

This insurance does not apply under either Coverage A or Coverage B to:

\* \* \*

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<sup>11</sup> We note that a statute that Intervenor rely on in the pleading, TEX. BUS. ORGS CODE ANN. § 20.002 (Vernon 2019), arguably would allow for the recovery of monetary relief and compensation from directors for *ultra vires* conduct. See Elizabeth S. Miller & Robert A. Ragazzo, *The Ultra Vires Doctrine*, 20 TEX. PRAC., BUS. ORGS. § 27:9 (3d ed.). In any case, Intervenor specifically seek damages from the Director Defendants.

<sup>12</sup> *Gilbert Tex. Const., L.P. v. Underwriters at Lloyd's London*, 327 S.W.3d 118, 124 (Tex. 2010); see TEX. INS. CODE ANN. § 554.002 (Vernon 2019).

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## 27. Profit, Advantage or Remuneration

Any “damages,” “defense expenses,” costs or loss based upon or attributable to the insured gaining any profit, advantage or remuneration to which the insured is not legally entitled.

The term “damages” means “monetary damages.” The term “defense expenses” means, in part, “reasonable and necessary fees or expenses incurred by or on behalf of the insured for . . . [l]egal fees charged by the insured’s attorney.”

The exclusion applies if “the insured” has gained any “profit, advantage or remuneration to which the insured is not legally entitled.” Importantly, the exclusion utilizes “the insured” as opposed to “any insured” or “an insured.”<sup>13</sup> As a result, the “Separation of Insureds” provision is implicated.<sup>14</sup> That provision states as follows:

## 8. Separation of Insureds

Except with respect to the Limits of Insurance as described in **SECTION IV**, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom “claim” is made.

As noted, Intervenorors have made claims in the Second Amended Original Petition against Martin, Earnest, Madden, Mebane, Mulligan, Gimenez, Bertino, Nelson, Taylor, and Morse. Likewise, Intervenorors have included as a defendant the WSC itself. With respect to Earnest, Madden, Mebane, Mulligan, Gimenez, Bertino, Nelson, Taylor, and Morse, there are no allegations in the pleading that those individuals obtained any profit, advantage or remuneration to which they were not legally entitled. Moreover, Intervenorors do not make any such allegations against the WSC. In fact, the allegations appear to support the exact opposite situation. In particular, there are allegations that WSC received a significantly less amount of compensation from the sale of the Airport Tract. Thus, Allied World completely misconstrues and misapplies this exclusion as to these particular individual insureds and the WSC.

The exclusion also does not apply to Martin based on the allegations in the live pleading. In particular, Intervenorors concede that the deeds reflecting the sale of the Airport Tract are in the

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<sup>13</sup> *Ooida Risk Retention Group, Inc. v. Williams*, 579 F.3d 469, 472–73 (5th Cir. 2009) (separation of insureds provision operates to give “effect to the separate coverage promised each insured by using the term ‘the insured’ to refer to the particular insured seeking coverage”).

<sup>14</sup> *See King v. Dallas Fire Ins. Co.*, 85 S.W.3d 185, 189 (Tex. 2002) (finding that when a policy contains a similar “separation of insureds” clause, the intentional conduct of one insured could not be imputed to another insured for purposes of determining an occurrence).

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name of FHH, not Martin. This is confirmed by the copies of the deeds attached to the pleading. Moreover, Intervenor specifically assert that “[w]hether and to what extent Martin has ever invested her own resources in this transaction is not yet known.” Thus, the allegations in the pleading do not provide sufficient basis for Allied World to rely upon this exclusion to deny coverage for Martin either, as no allegations exist that she, individually, “gain[ed] any profit, advantage or remuneration to which” she was not legally entitled.

### **C. Violation of Law and Criminal Acts Exclusions**

Allied World has also raised the “Violation of Law” exclusion. That exclusion states:

This insurance does not apply under either Coverage A or Coverage B to:

\* \* \*

#### **19. Violation of Law**

“Damages,” “defense expenses,” costs, or loss arising from an insured’s willful violation of any federal, state, or local law, rule, or regulation.

Allied World focuses its discussion of this exclusion on the assertions of violations of the Texas Open Meetings Act (the “TOMA”):

In this matter, there were violations of the [TOMA] as there was no public notice given to WOWSC members of the upcoming meeting nor items listed on the agenda. Given the allegations, Allied World further reserves its rights to limit coverage to the extent the insured willfully violated any federal, state, or local law, rule or regulation.

The pleading, however, is not based exclusively on purported violations of the TOMA. In fact, there are allegations of “wrongful acts” that have nothing to do with any type of violation of the TOMA or other violation of a federal, state, or local law.

The term “wrongful act” is defined broadly as “any actual or alleged error, act, omission, neglect, misfeasance, nonfeasance, or breach of duty . . . by any insured in the discharge of their duties for the Named Insured, individually or collectively, that results directly but unexpectedly and unintentionally in ‘damages’ to others.” Intervenor assert numerous “wrongful acts” throughout the pleading.

As an example, Intervenor allege that Mulligan, Earnest, and Madden failed to “gather deeds and other records in preparation to engage a real estate professional to market the Airport Tract.” Intervenor also assert that Mebane, as Board President, improperly decided on his own that the Airport Tract should not be sold as a single parcel. The WSC allegedly failed to reserve a taxiway for the remainder of the Airport Tract. Intervenor allege that there are no posted records

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reflecting a resolution to adopt the land transfer to Martin. Moreover, there are allegations that Mebane, Martin, Madden, Mulligan and Earnest did not adopt the appropriate resolution for sale of the Airport Tract at the Board's February 22, 2016 meeting. There are also claims that Earnest, Gimenez, Nelson, Bertino, Taylor, and Morse improperly chose to seek a mediated resolution of the dispute with Martin and FHH, which was to the detriment of the WSC. Additionally, Intervenor assert that all members of the Board, and thus the WSC itself, improperly incurred debt, which has led to delays in upgrading equipment and caused rates to be raised for the members of the Cooperative.

None of those alleged "wrongful acts" that are within the Second Amended Original Petition constitute a violation of TOMA. Nor do Intervenor even make an allegation that these "wrongful acts" constitute a violation of TOMA. Thus, the live pleading contains multiple allegations against the WSC and the individual Director Defendants of "claims"<sup>15</sup> for "wrongful acts" that do not relate, in any form or fashion to a "willful violation of a federal, state, or local law, rule, or regulation." As a result, this exclusion does not provide a basis for Allied World to deny coverage.

Even with respect to any claims for purported violations of the TOMA, no allegation exists that any of the alleged violations were *willful*. The term "willful" is not defined in the Policy. That term is generally understood to mean a "[v]oluntary and intentional" act that "involves conscious wrong or evil purpose on the part of the actor." The term willful is stronger than voluntary or intentional; it is traditionally the equivalent of malicious or evil. For those claims that involve the TOMA, because there are no such allegations in the pleading that rise to this level, the exclusion is simply not applicable.

Moreover, it is questionable whether this exclusion is even implicated by the allegations involving the TOMA. In particular, the "Criminal Acts" exclusion states:

"Damages," "defense expenses," costs or loss arising out of or contributed to by any fraudulent, dishonest, criminal or malicious act of the insured (except

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<sup>15</sup> In the Policy, the term "Claim" means:

- a. written notice, from any party, that it is their intention to hold the insured responsible for "damages" arising out of a "wrongful act" or offense by the insured;
- b. a civil proceeding in which "damages" arising out of an offense or "wrongful act" to which this insurance applies are alleged;
- c. an arbitration proceeding in which "damages" arising out of an offense or "wrongful act" to which this insurance applies are claimed and to which the insured must submit or does submit with our consent;
- d. any other civil alternative dispute resolution proceeding in which "damages" arising out of an offense or "wrongful act" to which this insurance applies are claimed and to which the insured submits with our consent; or
- e. a formal proceeding or investigation with the Equal Employment Opportunity Commission, or with an equivalent state or local agency.

A "claim" does not mean any ethical conduct review or enforcement action, or disciplinary review, or enforcement action.

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for “sexual abuse” which is excluded in the Sexual Abuse exclusion below), or the willful violation of any statute, ordinance or regulation committed by or with the knowledge of the insured. However, we will defend the insured for covered civil action subject to the other terms of this Coverage Form until either a judgment or final adjudication establishes such an act, or the insured confirms such act.

The TOMA—and basis for Allied World’s position that the Violation of Laws exclusion is triggered—is a statute appearing at Section 551.001 *et seq.* of the Texas Government Code. The “Criminal Acts” exclusion does not bar defense coverage, as it requires “either a judgment or final adjudication”<sup>16</sup> that an act involved a *willful* violation of statute. At the very least, the language of these exclusions creates an ambiguity as to the scope of their application because, while they both purport to bar coverage for the same or similar conduct, one of them entitles the insured to a defense until it is established that an excluded violation occurs while the other does not. Needless to say, however, neither exclusion provides a basis for Allied World to escape its duty to defend.

#### **D. Attorney’s Fees and Court Costs Exclusion**

Allied World further relies on exclusion 5. to deny coverage. That exclusion precludes coverage for “[a]ny award of court costs or attorney’s fees which arises out of an action for ‘injunctive relief’.” First, there has been no “award of court costs or attorney’s fees” in this matter. Thus, the exclusion does not apply on its face. Second, even if there was an award of attorney’s fees and court costs to Intervenor, this exclusion would not apply to any “damages” or “defense expenses” as those terms are defined in the Policy.<sup>17</sup> As a result, this exclusion does not serve as a basis to deny the duty to defend and will not apply to negate the duty to indemnify in its entirety either in the event a judgment is entered against the insureds.

#### **E. Claims Against Other Insured / ERISA, COBRA and WARN Act Liability Exclusions**

Allied World next cites to exclusion 8. (Claims Against Other Insured) as precluding coverage and recommends that this matter be submitted to a D&O carrier, and then suggests that the ERISA Exclusion (exclusion 15.) may “apply as to fiduciary duties.”

Addressing the “Claims Against Other Insured” exclusion first, the express language of that exclusion limits its applicability to “claims” brought “By a Named Insured.” The only Named Insured on the Policy is “Windermere Oaks Water Supply Corporation.” As that entity is not identified as an Intervenor in the Second Amended Original Petition and is not otherwise making

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<sup>16</sup> Under Texas law, the “final adjudication” phrase means that the exclusion applies only if there is a finding of a *willful* violation of statute through final judgement or settlement in the underlying matter, not in a parallel coverage action or parallel lawsuit. *See e.g., Pendergest-Holt v. Certain Underwriters at Lloyd’s of London*, 600 F.3d 562, 573 (5th Cir. 2010) (citing *Westport Ins. Corp. v. Hanft & Knight, P.C.*, 523 F. Supp. 2d 444, 454–55 (M.D. Pa. 2007); *Virginia Mason Med. Ctr. v. Executive Risk Indem. Inc.*, No. C07-0636MJP, 2007 WL 3473683 at \*5 (W.D. Wash. Nov. 14, 2007)).

<sup>17</sup> *See BancorpSouth, Inc. v. Fed Ins. Co.*, 873 F.3d 582, 588 (7th Cir. 2017).

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claims against another insured or Named Insured in the Second Amended Original Petition, the exclusion is inapplicable. Moreover, the “ERISA, COBRA and WARN Act Liability” exclusion is not implicated at all. According to the U.S. Department of Labor website,

ERISA protects the interests of employee benefit plan participants and their beneficiaries. It requires plan sponsors to provide plan information to participants. It establishes standards of conduct for plan managers and other fiduciaries. It establishes enforcement provisions to ensure that plan funds are protected and that qualifying participants receive their benefits, even if a company goes bankrupt.<sup>18</sup>

As this matter does not involve any such claims, that exclusion is wholly inapplicable.

#### **F. Contractual Liability Exclusion**

While not specifically discussed, Allied World apparently also relies on the Contractual Liability Exclusion to deny coverage. That exclusion bars coverage for “damages,” “defense expenses,” costs or loss based upon, attributed to, arising out of, in consequence of, or in any way related to any contract or agreement to which the insured is a party or a third-party beneficiary, including, but not limited to, any representations made in anticipation of a contract or any interference with the performance of a contract. The Second Amended Original Petition includes allegations of “wrongful acts” that have no connection to any purported contract, including allegations that the Board and the WSC improperly incurred debt, that certain members of the Board failed to properly market and advertise the Airport Tract, and that members of the Board improperly voted to seek resolution of the dispute with Martin and FHH. As such, this exclusion does not provide a basis for Allied World to deny defense coverage.

#### **G. Exemplary Damages and Requirement of “Loss”**

Allied World also states as follows:

In the complaint, the plaintiffs have made a claim for punitive damages. Allied World denies any obligation to provide payment for punitive damages, or any other damages, that do not meet the definition of “loss” or “losses” as defined above and by the policy. You should, therefore, take whatever actions you deem appropriate to protect your interests, including notifying any prior carriers that may provide coverage for this loss.

Intervenors *do* seek exemplary damages in the Second Amended Original Complaint. As Allied World concedes, however, Intervenors also seek monetary “damages.” Importantly, though, there is no definition of “loss” or “losses” within the POML Coverage of the Policy. As such, there is no basis to disclaim coverage for any potential award of exemplary damages, which will be nothing

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<sup>18</sup> Fact Sheet: What is ERISA, U.S. Department of Labor, <https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/what-is-erisa> (last visited May 15, 2020).

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more than a “monetary” damages award covered by the Policy. Likewise, there is no blanket prohibition on the insurability of exemplary damages under Texas law.<sup>19</sup>

**ALLIED WORLD HAS BREACHED ITS OBLIGATION TO PAY “DEFENSE  
EXPENSES” FOR INJUNCTIVE RELIEF UNDER COVERAGE B**

Allied World has also improperly denied coverage under Coverage B. That insuring agreement states:

**C. COVERAGE B. INSURING AGREEMENT - DEFENSE EXPENSES FOR  
INJUNCTIVE RELIEF**

1. We will pay those reasonable sums the insured incurs as “defense expenses” to defend against an action for “injunctive relief” because of a “wrongful act,” . . . to which this insurance applies.

The term “injunctive relief” means equitable relief sought through a demand for the issuance of a permanent, preliminary or temporary injunction, restraining order, or similar prohibitive writ against an insured, or order for specific performance by an insured. In the Second Amended Original Petition, Intervenors seek to enjoin certain actions taken by the Board. Contrary to Allied World’s position, these allegations specifically implicate the Coverage B Insuring Agreement.

The only reason for denial provided by Allied World as to this particular coverage is that “the Petition seeks ‘damages’, defined to mean monetary damages, arising out of a ‘claim’ for a ‘wrongful act’.” While we agree that Intervenors seek “damages” arising out of a “claim” for a “wrongful act,” Allied World apparently ignores the fact that Intervenors also seek certain forms of equitable relief (*i.e.*, “injunctive relief”) in this pleading. Thus, Allied World owes this particular coverage under the Policy.

**CONCLUSION**

In sum, Allied World has breached its duty to defend the WSC and the Director Defendants under Coverage A of the POML Coverage of the Policy because no exclusions eliminate the defense obligation. Allied World also has wrongfully denied coverage to the WSC and the Director Defendants under Coverage B of the POML Coverage of the Policy. Accordingly, the WSC and the Director Defendants respectfully request that Allied World reconsider its position and immediately agree to provide a complete defense to the WSC and the Director Defendants, as required under Texas law. Additionally, they are entitled to reimbursement of their “defense

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<sup>19</sup> See, e.g., *Fairfield Ins. Co. v. Stephens Martin Paving, LP*, 246 S.W.3d 653, 670 (Tex. 2008) (declining to make a broad proclamation of public policy as to the insurability of exemplary damages).



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expenses” they have incurred.<sup>20</sup> Finally, Allied World is also liable for statutory penalties based on its improper denial of coverage.<sup>21</sup>

We look forward to Allied World’s prompt response.

Best regards,

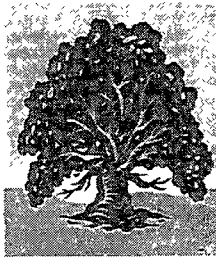
A handwritten signature in black ink, appearing to read "Blake H. Crawford". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Blake H. Crawford

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<sup>20</sup> See *Lafarge Corp. v. Hartford Cas. Ins. Co.*, 61 F.3d 389, 397 (5th Cir. 1995) (explaining that Hartford was obligated to pay that portion of attorneys’ fees incurred from the time after the pleading that implicated the duty to defend was tendered).

<sup>21</sup> Texas law imposes obligations on an insurer under the Texas Prompt Payment Act to promptly acknowledge, investigate, and adjust first-party insurance claims. See TEX. INS. CODE § 542.051 *et seq.* The Supreme Court of Texas has explicitly held that an insured’s right to a defense benefit is a “first-party claim” within the meaning of the Prompt Payment Act. *Lamar Homes, Inc. v. Mid-Continent Cas. Co.*, 242 S.W.3d 1, 20 (Tex. 2006). The statute states that an insurer, who is “liable for a claim under an insurance policy” and who does not promptly respond to, or pay, the claim as the statute requires, is liable to the policy holder or beneficiary not only for the amount of the claim, but also for “interest on the amount of the claim at the rate of eighteen percent a year as damages, together with reasonable attorney’s fees.” TEX. INS. CODE § 542.060(a).



## Windermere Oaks Water Supply Corporation

424 Coventry Rd  
Spicewood, Texas 78669

**2018 - 2019 Board of Directors:**  
David Bertino, President  
Norman Morse, Vice President  
Mike Nelson, Secretary/Treasurer  
Dorothy Taylor, Director  
Bill Billingsley, Director

**Windermere Oaks Water Supply Corporation (WOWSC) meeting held: Saturday, January 12, 2019 at the Spicewood Community Center, 7901 CR 404, Spicewood, Texas 78669**

**2018 - 2019 Board Members Present:** David Bertino, Norman Morse, Bill Billingsley, Mike Nelson

### Minutes

The meeting was called to order at 1:08PM by David Bertino. A quorum was established with four Board Members present.

- 1) Review and consider and take action to approve minutes of prior meetings.
  - a. Motion made and carried to table review of November 14<sup>th</sup> and December 4<sup>th</sup> minutes
- 2) Comments from citizens and members who have signed sign-up sheet to speak (3-minute limit per person).
  - a. Paul Hischar
  - b. Beth Burdett
  - c. Marvin Lewis
  - d. Scott Martin
  - e. Jeannie Shirley
  - f. Jerry Falkner
  - g. Mark A. McDonald
  - h. Rob Van Eman
  - i. Patti Flunker
  - j. Bruce Sorgen
  - k. Malcom Bailey
  - l. Janet Crow
  - m. Pat Mulligan
  - n. Mark O. McDonald
  - o. Danny Flunker
  - p. Sandy Nielson
- 3) Discussion of written questions submitted to WOWSC Board.
  - a. Copies of all submitted questions and comments were provided to all attendees.
  - b. All present WOWSC Board members verbally answered submitted questions and conveyed the submitted written comments.
  - c. Thank You to all who submitted questions and comments!
- 4) The Governing Board of Directors will meet in Executive Session to discuss legal counsel engagement, pending or contemplated litigation, settlement offers, and/or the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of specific personnel, as permitted by chapter 551 of the Texas Government Code, the Texas Open Meetings Act, including but not limited to Sections 551.071, 551.072, 551.074. This will include discussing among the Directors and with legal counsel: the Texas Open Meetings Act,

TOMA Integrity, Inc. v. Windermere Oaks Water Supply Corporation (Cause No. 47351 in the 33rd Judicial District, Burnet County, Texas), Double F Hanger Operations, LLC, et al v. Friendship Homes & Hangars, LLC, et al (Cause No. 48292 in the 33rd Judicial District, Burnet County, Texas), and legal matters directly related to those lawsuits, property appraisal conducted by Bolton Real Estate Consultants, Ltd. relating to property owned by the WSC adjacent to the Spicewood Airport, and potentially hiring a bookkeeper or bookkeeping service. No action, decision, or vote with regard to any matters discussed in closed session shall be made in the absence of further notice issued in accordance with Chapter 551 of the Texas Government Code.

- a. Entered Executive session at 3:12PM
- b. Executive session ended at 4:01PM

5) Resumed Open Meeting at 4:06PM

- 6) Review, discuss and take any appropriate action including voting regarding: property appraisal, disclosure, or other related actions; legal counsel engagement, pending or contemplated litigation including but not limited to TOMA Integrity, Inc. v. Windermere Oaks Water Supply Corporation (Cause No. 47351 in the 33rd Judicial District, Burnet County, Texas), Double F Hanger Operations, LLC, et al v. Friendship Homes & Hangars, LLC, et al (Cause No. 48292 in the 33rd Judicial District, Burnet County, Texas) and legal matters directly related to those lawsuits, settlement offers; and the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of specific personnel.
- a. WOWSC Board takes its fiduciary responsibility seriously. The disparity between the land sale value and Bolton appraisal value is too large to ignore.
  - b. We, the Board, have sufficient data and information to move forward even though we don't have answers to all questions.
  - c. Folks who are not part of TOMA or Friendship Homes & Hangars voiced their opinion to get the sold land back.
  - d. Motion was made and carried to authorize attorney to send demand letter to address easement, right of first refusal, and difference in value of sale asserting all available claims to Friendship Homes and Hinton Appraisal with 30 day deadline for resolution, after which we may authorize commencement of litigation.

7) Discuss any new matter or business that is presented to the Board, include on agenda for next meeting if necessary.

- a. Motion was made and carried to consider and take action at future Board meetings regarding Friendship Homes Piper Lane land sale including voiding, modifying, or ratifying the transaction.

8) Motion made and carried to adjourn. Meeting adjourned at 4:09PM.



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on February 9, 2019



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Austin, Texas 78701  
Telephone: (512) 322-5800  
Facsimile: (512) 472-0532  
[www.lglawfirm.com](http://www.lglawfirm.com)

Mr. de la Fuente's Direct Line: (512) 322-5849  
Email: [jdelafuente@lglawfirm.com](mailto:jdelafuente@lglawfirm.com)

January 25, 2019

*Via Email: [mollym@abdmllaw.com](mailto:mollym@abdmllaw.com)  
and Via USPS Regular Mail*

Molly Mitchell  
ALMANZA, BLACKBURN, DICKIE & MITCHELL, LLP  
2301 S. Capital of Texas Highway, Bldg. H  
Austin, Texas 78746

Re: Friendship Homes & Hangars, LLC purchase of real property interests  
from Windermere Oaks Water Supply Corporation

Dear Molly,

I am writing to you on behalf of my client, the Windermere Oaks Water Supply Corporation ("WOWSC") in connection with real property transactions by Friendship Homes & Hangars, LLC ("Friendship Homes") relating to approximately 10.85 acres of property located on Piper Lane in Spicewood, Texas ("the property"). This letter is sent to you as counsel for Dana Martin and Friendship Homes as a matter of professional courtesy; if you contend that it should be addressed directly to Ms. Martin and/or Friendship Homes, please let me know and we will re-send it as instructed.

As you know, by a contract for sale dated January 19, 2015, closing in early 2016, and continuing until final addendum on February 16, 2017, Friendship Homes purportedly acquired two separate real property interests from WOWSC: 1) title in fee simple to approximately 3.86 acres along the west side of Piper Lane, in Spicewood, Texas, and 2) a "right of first refusal" to purchase an additional approximately 7.01 acres immediately to the west of the purchased property (collectively, "the transactions"). The total price paid by Friendship Homes to WOWSC for both interests was \$203,000.

The circumstances surrounding the transactions are problematic for several reasons.

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Lloyd Gosselink Rochelle & Townsend, P.C.

January 25, 2019

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*Self-interested transaction:* First and foremost, the managing member of Friendship Homes is Dana Martin. At all times relevant to the transactions, Ms. Martin also was a member of the board of the seller, WOWSC. While she purportedly recused herself from the ultimate vote on a portion of the transaction on December 19, 2015, at all times she remained a member of the board, and by virtue of that office had a fiduciary duty and a duty of loyalty to WOWSC, which requires that there be no conflict between duty and self-interest.

*Actions taken in violation of the Texas Open Meetings Act:* As a WOWSC Board member, Ms. Martin is charged with knowledge of the requirements of the Texas Open Meetings Act, and knowing that the meeting notice for the December 19, 2015 meeting was legally insufficient, did not speak up or note for the remainder of the Board that the meeting notice did not meet the requisite legal standard. Instead, she allowed her self-interest to be paramount, so that the meeting could go forward and she could enter into a contract for sale of the property. Further, Ms. Martin was surely aware that the purported “right of first refusal” was not mentioned in the meeting notice, and thus could not be considered or acted upon by the WOWSC Board at that meeting without violating the Texas Open Meetings Act. Again, Ms. Martin allowed her self-interest to be paramount, so that the meeting could go forward and she could obtain that right of first refusal, paying no additional consideration for that real property interest. These matters have been litigated, and are the subject of a final judgment in Cause No. 47531, *TOMA Integrity, Inc. v. Windermere Oaks Water Supply Corporation*, in the 33<sup>rd</sup> District Court of Burnet County, Texas.

*Actions regarding improper appraisal:* Prior to the transactions, on information and belief, Ms. Martin worked with Jim Hinton to present what was purported to be an objective appraisal of the property to the WOWSC Board (“the Hinton appraisal”) on or about September 1, 2015. This was done so that the WOWSC Board could consider the market value of the property and determine whether to sell the property, and under what price and other terms such transaction should be conducted.

The Hinton appraisal represented that it was intended to comply with all applicable rules and standards, and that its conclusion as to value was to be based on the “Highest and Best Use.” The Hinton appraisal concluded that the present use of the property was “vacant land,” and further concluded that remained the “highest and best use” for the property. The three comparable properties that were analyzed to determine the open market valuation were likewise “vacant land” properties.

Importantly, the property was (and still is) located amidst multiple hangar facilities at a private airport, Spicewood Airport, and had significant frontage on a taxiway for Spicewood Airport. In such circumstances, and considering the factors of legal permissibility, physical possibility, financial feasibility, and maximum

January 25, 2019

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productivity, the actual highest and best use of the property is for division into multiple airport hangar lots, not simply to be used as "vacant land." Notably, the Hinton appraisal did not take into account any comparable sales of hangar lots in the area. Its improper characterization of the highest and best use of the property, and selection of comparable properties consistent with that improper characterization, resulted in a significant under-valuation of the property. Upon information and belief, these defects violate applicable USPAP standards and render the Hinton appraisal fraudulent, and it was presented to fraudulently induce the WOWSC Board into taking action contrary to the best interests of WOWSC.

The WOWSC Board received the Hinton appraisal for the purpose of evaluating and conducting a potential sale of the property. On information and belief, Ms. Martin was aware of this purpose and intended use when the Hinton appraisal was provided to WOWSC. Also on information and belief, Ms. Martin conferred with Mr. Hinton regarding the appraisal before it was submitted to the WOWSC Board, knew that the actual market value of the property was well above the value presented in the Hinton appraisal, and failed to disclose that information to the WOWSC Board. Upon further information and belief, she was aware that the most likely buyer of the property was an enterprise that she had yet to form, Friendship Homes.

***The resulting improper and unfair transactions:*** In reliance on the appraisal, the WOWSC Board elected to sell approximately 3.86 acres of the property for a price of \$203,000 to Ms. Martin's enterprise, Friendship Homes, realizing a value of just over \$52,000 per acre. In reality, based on the proper highest and best use of airport hangar lots, the value of the 3.86 acres of the property sold was \$700,000, yielding a true value of approximately \$181,000 per acre. In addition, in further reliance on the under-valuation of the property contained in the appraisal, the WOWSC Board also transferred a "right of first refusal" to Ms. Martin's enterprise for the remaining 7.01 acres of the property for no additional consideration, with that transaction being completed on February 16, 2017.

Thus, as a result, the WOWSC Board at the very least sold property with a proper market value of \$700,000 for a price of \$203,000, a difference of \$497,000. As a result of the actions related to the Hinton appraisal, material facts as to the transaction were not disclosed to, and upon information and belief, purposefully concealed from, the WOWSC Board. The resulting transaction, being for a price significantly lower than the proper market value at the time, was not fair to WOWSC. The circumstances above would constitute a breach of Ms. Martin's fiduciary duty to WOWSC as a member of the WOWSC Board. Further, to the extent that the actions of Ms. Martin and Friendship Homes relating to the Hinton appraisal were committed in concert with and with the knowledge of Mr. Hinton, they may give rise to an action for civil conspiracy.

January 25, 2019  
Page 4

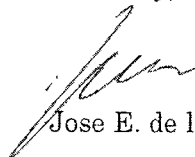
Finally, pursuant to the Unimproved Property Contract and as consideration for the transactions, Friendship Homes agreed to grant a 50-foot easement to run from Piper Lane to the west property line of the 3.86 acres that Friendship Homes acquired in fee simple. An inspection of the Burnet County property records finds no such valid and enforceable easement that has been created or granted to WOWSC, indicating that Friendship Homes has failed to perform this contract obligation. The absence of such easement significantly reduces the value of the remaining property. This works to Friendship Homes' significant advantage; absent an easement, the current market value of the remaining property is quite low, and if WOWSC attempts to sell it for its current reduced market value, Friendship Homes can execute its right of first refusal and acquire that portion of the property for a fraction of its potential value. Friendship Homes can then extend an easement through the property it currently owns, which will dramatically increase the value of the remaining property. Thus, by virtue of actions solely within Ms. Martin's and Friendship Homes' control, they will realize a significant appreciation in value on the property which value properly belongs to WOWSC.

This letter is the WOWSC's Board's notice and demand that you 1) preserve all documents, correspondence, records, and communications (including emails, text messages, and phone records) that you have had with Mr. Hinton or with any past or current member of the WOWSC Board regarding the property, the Hinton appraisal, or the transactions, and 2) to meet and confer promptly with WOWSC through its legal counsel to discuss WOWSC's claims against Ms. Martin and Friendship Homes, and a proper resolution thereof.

Please reply in writing indicating that you understand WOWSC's demands and will preserve all information described above, and will agree to meet and confer with WOWSC through its legal counsel within the next thirty days. In the event that you fail to do so, WOWSC will have no choice but to pursue all available avenues of relief, including pursuing litigation against Ms. Martin and Friendship Homes.

We look forward to your prompt response to this correspondence.

Sincerely,



Jose E. de la Fuente

JEF:cad

**Attachment JG-29 is  
VOLUMINOUS and is being  
provided in electronic-file  
format on CD**



1/2/2020

3:15:52PM

Reprinted for: 12/31/2019

**Directors Report****WINDERMERE OAKS WSC**

<b>WATER Pumped This Month WATER Sold</b>	<b>1,459,000 Gallons</b>
<b>This Month</b>	<b>849,700 Gallons</b>
<b>WATER Used for Non Revenue</b>	<b>131,200 Gallons</b>
<b>WATER Loss</b>	<b>480,700 Gallons</b>
<b>WATER Loss ( %)</b>	<b>3.035 %</b>

	<b>Amount (\$)</b>	<b># Of Accounts</b>
Total WATER	18,637.04	271
Total SEWAGE	11,981.62	245
Total Late Charge	219.10	21
Total Adjustments	-910.41	10
Total Tap Fees	1,725.00	1
Total Equity Buy In	4,600.00	1
Total Tax	152.76	268
Total Stand By Fee	40,488.80	163
<b>Total Current Charges</b>	<b>76,893.91</b>	<b>436</b>

Amount Past Due 1-30 Day	1,434.70	8
Amount Past Due 31-60 Days	34.93	1
Amount Past Due Over 60 Days	614.44	31
Amount Of Overpayments/Prepaymen	-24,971.89	117
<b>Total Receivables</b>	<b>54,006.09</b>	<b>416</b>

Total Receipts On Account	43,563.86	267
Net Change in Memberships	402.50	1
Amount of All Membership	103,385.25	291

Turned Off Accounts (Amount Owed)	614.44	1
Collection Accounts (Amount Owed)	61,468.94	414
Number Of Unread (Turned On) Meters		1
Average Usage For Active Meters	3,024	281
Average WATER Charge For Active Meters	68.77	271

<b>Usage Groups</b>	<b>Gallons</b>	<b># Of Accounts</b>	<b>Usage</b>	<b>Gallons</b>	<b>% Of Usage</b>	<b>% Of Sales</b>
Over 15,000		5	154,500		21.5	11.7
10,001-15,000		2	20,500		2.9	1.5
8,001-10,000		5	43,200		6.0	3.2
4,001-8,000		43	223,400		31.1	19.0
2,001-4,000		62	182,400		25.4	21.3
1-2,000		104	94,500		13.2	30.2
Zero Usage		52	0		0.0	13.1
<b>Total Meters</b>		<b>281</b>	<b>718,500</b>		<b>100.00</b>	<b>100.00</b>

1/2/2020 3:15:52PM

Reprinted for: 12/31/2019

## Directors Report

WINDERMERE OAKS WSC

### Monthly Reconciliation

Ending Receivables (Last Month)		52,557.71
Sales this Month	+	77,804.32
Adjustments this Month		-910.41
Less Payments this Month	-	43,563.86
	=	85,887.76
Total Receivables		<b>85,887.76</b>
Ending Memberships (Last Month)		102,982.75
Changes this Month		402.50
	=	103,385.25
Total Memberships		<b>103,385.25</b>

Thursday, January 2, 2020

Reprinted for: 12/31/2019

WINDERMERE OAKS WSC

**USAGE BREAKDOWN**

Page 1 of 1

3:47:28PM

Usage Group	Accounts		WATER Sold by Group		Revenue		Accumulated Accounts		Accumulated WATER Sold		Accumulated Revenue	
Zero Usage	52	19 0 %	0	0 0 %	2,439 50	13 1 %	52	19 0 %	0	0 0 %	2,439 50	13 1 %
0,000-0,999	58	21 2 %	26,100	3 6 %	3,047 96	16 4 %	110	40 3 %	26,100	3 6 %	5,487 46	29 4 %
1,000-1,999	46	16 8 %	68,400	9 5 %	2,586 65	13 9 %	156	57 1 %	94,500	13 2 %	8,074 11	43 3 %
2,000-2,999	31	11 4 %	76,400	10 6 %	1,893 15	10 2 %	187	68 5 %	170,900	23 8 %	9,967 26	53 5 %
3,000-3,999	31	11 4 %	106,000	14 8 %	2,085 55	11 2 %	218	79 9 %	276,900	38 5 %	12,052 81	64 7 %
4,000-4,999	21	7 7 %	91,900	12 8 %	1,569 12	8 4 %	239	87 5 %	368,800	51 3 %	13,621 93	73 1 %
5,000-5,999	14	5 1 %	76,900	10 7 %	1,178 14	6 3 %	253	92 7 %	445,700	62 0 %	14,800 07	79 4 %
6,000-6,999	6	2 2 %	38,800	5 4 %	570 61	3 1 %	259	94 9 %	484,500	67 4 %	15,370 68	82 5 %
7,000-7,999	2	0 7 %	15,800	2 2 %	218 16	1 2 %	261	95 6 %	500,300	69 6 %	15,588 84	83 6 %
8,000-8,999	4	1 5 %	33,400	4 6 %	458 40	2 5 %	265	97 1 %	533,700	74 3 %	16,047 24	86 1 %
9,000-9,999	1	0 4 %	9,800	1 4 %	133 45	0 7 %	266	97 4 %	543,500	75 6 %	16,180 69	86 8 %
10,000-10,999	2	0 7 %	20,500	2 9 %	278 60	1 5 %	268	98 2 %	564,000	78 5 %	16,459 29	88 3 %
17,000-17,999	1	0 4 %	17,800	2 5 %	239 05	1 3 %	269	98 5 %	581,800	81 0 %	16,698 34	89 6 %
18,000-18,999	1	0 4 %	18,700	2 6 %	252 55	1 4 %	270	98 9 %	600,500	83 6 %	16,950 89	91 0 %
23,000-23,999	1	0 4 %	23,000	3 2 %	317 05	1 7 %	271	99 3 %	623,500	86 8 %	17,267 94	92 7 %
37,000-37,999	1	0 4 %	37,100	5 2 %	528 55	2 8 %	272	99 6 %	660,600	91 9 %	17,796 49	95 5 %
57,000-57,999	1	0 4 %	57,900	8 1 %	840 55	4 5 %	273	100 0 %	718,500	100 0 %	18,637 04	100 0 %
<b>TOTAL:</b>	<b>273</b>		<b>718,500</b>		<b>\$18,637.04</b>							

Rate Category = X

Windermere Oaks Water Supply Corp.

## ADJUSTMENTS

Thursday, January 2, 2020  
 Reprinted for: 12/31/2019  
 WINDERMERE OAKS WSC

3:18:58PM

Reprinted For: 12/31/19

Page 1 of 1

ACCT. #	NAME	DATE	AMOUNT	APPROVAL	CODE
113	WELLS, ROBT-DONNA	12/2/19	(\$30.81)		29
Remove late fee per GB					
113	WELLS, ROBT-DONNA	12/2/19	(\$40.00)		9
Reduce sewer charge per GB					
<b>WELLS, ROBT-DONNA</b>			<b>2 Total Adjustments</b>	<b>(\$70.81)</b>	
145	WOMBLE, W. T.	12/2/19	(\$827.05)		7
Adjust one more time per George Burriss					
145	WOMBLE, W. T.	12/2/19	\$827.05		7
rewind adjustment					
145	WOMBLE, W. T.	12/2/19	(\$776.10)		6
Adjusted one more time per George Burriss					
145	WOMBLE, W. T.	12/2/19	(\$43.47)		9
Adjusted one more time per George Burriss					
<b>WOMBLE, W. T.</b>			<b>4 Total Adjustments</b>	<b>(\$819.57)</b>	
307	YEAMAN, KAREN	12/29/19	(\$36.00)		30
Moved payment from account #378 12292019					
<b>YEAMAN, KAREN</b>			<b>1 Total Adjustments</b>	<b>(\$36.00)</b>	
378	YEAMAN, KAREN	12/29/19	\$36.00		30
Move payment to account #307					
<b>YEAMAN, KAREN</b>			<b>1 Total Adjustments</b>	<b>\$36.00</b>	
461	MARTIN, SCOTT	12/11/19	(\$212.49)		30
Move payment from #540 per Scott Martin					
<b>MARTIN, SCOTT</b>			<b>1 Total Adjustments</b>	<b>(\$212.49)</b>	
535	HARMEIER, MACEY	12/2/19	(\$10.00)		29
USPS returned payment to customer NTA					
<b>HARMEIER, MACEY</b>			<b>1 Total Adjustments</b>	<b>(\$10.00)</b>	
540	MARTIN, SCOTT	12/11/19	\$212.49		30
Move payment per Scott Martin to #461					
<b>MARTIN, SCOTT</b>			<b>1 Total Adjustments</b>	<b>\$212.49</b>	
555	BUS HANGARS LLC	12/11/19	\$121.98		30
Move payment per Scott Martin and Kirk Covington					
<b>BUS HANGARS LLC</b>			<b>1 Total Adjustments</b>	<b>\$121.98</b>	
559	COVINGTON, KIRK	12/11/19	(\$10.00)		29
559	COVINGTON, KIRK	12/11/19	(\$121.98)		30
Move payment from #555 per Scott Martin and Kirk C					
<b>COVINGTON, KIRK</b>			<b>2 Total Adjustments</b>	<b>(\$131.98)</b>	
686	COX, DENNIS	12/10/19	(\$0.03)		10
<b>COX, DENNIS</b>			<b>1 Total Adjustments</b>	<b>(\$0.03)</b>	

6. (776.10) Water used flushing line.  
 9. (83.47) Sewer adjustment  
 10. (0.03) Other adjustment  
 29. (50.81) Remove late fee

10 Accounts

15 Total Adjustments

(\$910.41)

Qualified By: All Customers

\*\*\*\*\* Windermere Oaks Water Supply Corp.

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**NEW ACCOUNTS**

WINDERMERE OAKS WSC

ACCT #	RATE	ROUTE	NAME	SERVICE ADDRESS	TURN-ON DATE
487	3	1	EPICH, KENNETH-CHRISTINE	LOT W122 308 KENDALL	12/2/2019
633	6	1	MEADE, CARL-CELYNA	228 AIRSTRIP	12/5/2019

**2** Accounts added since 12/01/2019

All Customers Rate Category = X

Windermere Oaks Water Supply Corp.

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**PAST DUE LIST****WINDERMERE OAKS WSC**

	ACCT #	RT NAME	CURRENT	1-30	31-60	61+	LAST PAYMENT	TOTAL
Late fee owed	652	1 CARPENTER CUSTOM HOMI	53.71	10.00			52.99 12/11/19	63.71
	623	1 DEUTSCHLANDER, ASHLEY	101.53	91.53	34.93		200.00 11/11/19	227.99
Scheduled bank check	230	1 HOWLE, JAMES	91.53	94.54			83.64 11/15/19	186.07
Scheduled bank check	641	1 KERLEY-JENSEN FAMILYTR	101.53	92.28			89.05 11/15/19	193.81
	566	1 MARTIN, CHARLES & JILL	105.29	71.53			137.19 11/20/19	176.82
Disconnected	596	1 RATTRAY, EVAN-PHEBE				614.44	347.77 3/12/19	614.44
	183	1 ROSS, NED	101.53	91.53			82.28 11/22/19	193.06
	177	1 SPECHT, ERICH	111.31	93.83			200.00 11/15/19	205.14
Pmt in dropbox	22	1 WINSLOW, LEONA	116.45	106.58			105.06 11/22/19	223.03
Total Receivables:			<b>85,887.76</b>	<b>782.88</b>	<b>34.93</b>			
Accounts Listed:			<b>9</b>	<b>651.82</b>		<b>614.44</b>		<b>\$2,084.07</b>

All Customers Rate Category = x All Aged Accounts

Windermere Oaks Water Supply Corp.

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**PAST DUE LIST****WINDERMERE OAKS WSC**

ACCT #	RT	NAME	CURRENT	1-30	31-60	61+	LAST PAYMENT	TOTAL
619	1	CHRIS ELDER HOMES	248.40			344.40	216.00 1/26/18	592.80
634	1	COVINGTON, GARY	248.40			344.40	312.00 4/9/18	592.80
330	1	DAVIS, ELICE	248.40			344.40	216.00 1/9/18	592.80
483	1	DAVIS, H. I. (BUDDY)	248.40			344.40	216.00 1/29/18	592.80
678	1	DONATTI, FERNANDO	248.40			344.40		592.80
669	1	FRITZLER, MICHAEL & LINI	248.40			344.40		592.80
422	1	HARMEIER, MACEY	248.40			1,376.40	528.00 3/26/15	1,624.80
423	1	HARMEIER, MACEY	248.40			1,376.40	528.00 3/26/15	1,624.80
279	1	HICKS, MRS. TAYLOR	248.40			6,840.00	248.40 12/31/18	7,088.40
287	1	KIRK, CAROL	248.40			4,737.24		4,985.64
511	1	MAIR, DARBY	248.40			344.40	216.00 1/9/18	592.80
512	1	MAIR, DARBY	248.40			344.40	216.00 1/9/18	592.80
306	1	MARTIN, LUCY DUNFORD	248.40			344.40	216.00 1/25/18	592.80
324	1	MARTIN, SCOTT	248.40			656.40	312.00 2/5/18	904.80
573	1	MARWEIH, GEORGE	248.40			968.40		1,216.80
327	1	ODOM, JOHN	248.40			344.40	216.00 1/9/18	592.80
329	1	PAUL, RICHARD ALLEN	248.40			1,280.40	624.00 3/26/15	1,528.80
331	1	PENNER, SCOTT & AMY	248.40			968.40	312.00 5/8/16	1,216.80
402	1	PENNER, SCOTT & AMY	248.40			968.40	312.00 5/8/16	1,216.80
509	1	RICHARDSON, JANEY	248.40			344.40	216.00 1/26/18	592.80
343	1	SANDERS, MELANIE	248.40			1,253.40	235.00 8/12/19	1,501.80
616	1	SANDERS-URESTI, MADELY	248.40			968.40	624.00 5/25/18	1,216.80
679	1	VICARS II, DAVID-NANCY	248.40			344.40		592.80
680	1	VICARS II, DAVID-NANCY	248.40			344.40		592.80
8	1	WIMBUSH, CHRIS	248.40			1,041.85	65.00 5/16/17	1,290.25
615	1	ZROMA OPERATING LLC	248.40			656.40		904.80
Total Receivables:			<b>85,887.76</b>	<b>6,458.40</b>	<b>0.00</b>			
Accounts Listed:			<b>26</b>	<b>0.00</b>		<b>27,569.29</b>		<b>\$34,027.69</b>

All Customers Rate Code = 9 All Aged Accounts  
 Windermere Oaks Water Supply Corp.

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**EXCEPTIONAL USAGE****WINDERMERE OAKS WSC**

ACCT	RT	NAME	USAGE	LAST USAGE	PERCENT	12 MON AVE	YR AGO USE	PERCENT	LAST YR AVE	READINGS	UNITS	
155	1	BOOTH, RAY & MARY	23,000	4,500	511	1,050	0	0	1,500	455600	432600	1
169	1	WINDERMERE OAKS POA	18,700	10,700	175	12,192	18,500	101	6,200	136800	118100	1
232	1	ZAPALAC, MICHELLE-WIL	10,500	12,100	87	12,608	6,900	152	14,200	3358500	3348000	1
299	1	ROSAS, JIMETTE	37,100	2,000	1,855	4,108	1,600	2,319	10,800	143500	106400	1
470	1	SEWER PLANT WATER	129,000	130,200	99	158,600	131,900	98	168,400	6793500	6664500	1
580	1	WINTERS, REX	17,800	14,100	126	8,500	5,600	318	6,000	304100	286300	1
691	1	COHEN, JOSEPH-BARBARA/	57,900	70,600	82	8,258	0	0	1,000	521000	463100	1
			294,000	244,200			164,500		208,100			

7 Customers using 294,000 gallons

**Accounts meet any of the following:**

7 Accounts With High use over 10000

7 Accounts using 294,000 gallons

Windermere Oaks Water Supply Corp.



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**RECEIPTS THIS MONTH**

WINDERMERE ACCT #	OAKS WSC NAME	LAST PAYMENT	DAY	CHECK NUMBER	TOTAL PAID THIS MONTH	CURRENT BALANCE
1	WOMBLE, W. T.	\$91.53	12/13/2019	382	\$183.06	0.00
3	CAMPBELL, ROBERT & NIC	\$117.19	12/19/2019	2,352	\$117.19	106.58
5	INGHAM, JERRY	\$123.36	12/5/2019	2,989	\$123.36	107.63
6	GELINAS, CHARLES	\$116.03	12/18/2019	243	\$116.03	126.52
7	WRIGHT, ELEANOR	\$91.53	12/10/2019	7,080	\$91.53	91.53
12	BURNETT, JEFF	\$106.58	12/13/2019	86,945,652	\$106.58	113.93
13	STAHL, CHRIS-JOLENE	\$107.98	12/18/2019	4,684	\$107.98	127.56
15	HAGAR, JEFFREY	\$127.56	12/10/2019	85,555,508	\$127.56	109.73
16	FOY, CAROL	\$112.87	12/18/2019	6,959	\$112.87	116.03
17	CONTRERAS, ARTURO	\$114.71	12/18/2019	2,657	\$114.71	106.69
18	WORLEY, DAVID S.	\$152.33	12/10/2019	85,995,481	\$152.33	150.96
19	RIGGAN, TONY C.	\$148.21	12/5/2019	1,585	\$148.21	99.81
20	HICKS, ALLEN R.	\$110.78	12/11/2019	10,859	\$110.78	116.03
21	IVEY, CINDY A & JAMES G	\$97.55	12/10/2019	1,450	\$97.55	99.81
23	LASSERE, CYNTHIA LEIGH	\$52.29	12/10/2019	647,589,915	\$52.29	51.20
24	ARLDT, DONALD	\$64.22	12/13/2019	4,616	\$64.22	73.37
25	ARLDT, DONALD	\$52.63	12/13/2019	4,617	\$52.63	52.99
27	HICKS, ROBERT	\$110.78	12/5/2019	4,056	\$110.78	112.87
29	KOEHLER, RON	\$161.97	12/5/2019	2,600	\$161.97	160.59
30	FORD, JOHN	\$117.07	12/11/2019	4,684	\$117.07	155.08
32	CASS, TERREL	\$68.99	12/27/2019	140	\$135.19	60.30
36	MC KELLOP, RICHARD-PAN	\$133.07	12/5/2019	1,684	\$133.07	141.32
37	MC ALISTER, RHETTA	\$96.80	12/10/2019	1,758	\$96.80	93.79
38	COSTA, JAN & SCOTT	\$145.45	12/5/2019	1,502	\$145.45	144.08
41	BODEN, JUSTIN & KATHLE	\$119.49	12/18/2019	431	\$119.49	103.57
42	MEBANE, ROBERT & NICKI	\$98.31	12/13/2019	86,688,687	\$98.31	98.31
48	BURDETT, MIKE & BETH	\$118.12	12/13/2019	9,015	\$118.12	120.22
50	MC CORMICK, MICHAEL	\$93.79	12/10/2019	44,951,234	\$197.58	90.02
51	WHEELER, GREG	\$101.31	12/18/2019	1,445	\$101.31	102.07
54	FLUNKER, PATRICIA	\$62.50	12/18/2019	832	\$62.50	64.52
56	STUART, RICHARD	\$61.20	12/27/2019	7,208	\$61.20	51.20
58	FLUNKER, PATRICIA	\$62.50	12/18/2019	832	\$62.50	52.12
59	WINDERMERE HANGAR	\$98.31	12/18/2019	6,959	\$98.31	96.04
62	ARMSTRONG, WERRICK-P/	\$84.15	12/17/2019	718	\$84.15	80.23
66	STEIN, BILL	\$100.00	12/19/2019	87,908,782	\$100.00	95.46
67	VANOS, FRANK	\$100.00	12/5/2019	44,261,610	\$230.77	41.46
70	GAIENNIE, JAMES	\$99.81	12/10/2019	2,056	\$99.81	116.03
73	ROTHERMEL JR., WM. G.	\$93.79	12/5/2019	3,539	\$93.79	91.53
76	WAGNER, ROBIN	\$98.31	12/10/2019	647,625,123	\$98.31	98.31
77	LECKY, JOHN	\$92.28	12/17/2019	1,211	\$92.28	93.03
82	SISSINGHURST LTD.	\$125.46	12/5/2019	721	\$125.46	94.54
84	HARDWICK, CINDY & PAUL	\$102.82	12/11/2019	7,544	\$102.82	102.82
85	HARRISON, HENRY-CINDY	\$93.79	12/13/2019	6,936	\$93.79	100.56
87	MUDDER, TOM-SHERRY	\$105.07	12/17/2019	4,379	\$105.07	100.56
90	DEYO, RANDY & SANDI	\$113.93	12/13/2019	999,060	\$113.93	102.82
92	WIGGINS, TERRY-LORRAIN	\$98.31	12/13/2019	167,016,267	\$98.31	98.31
93	MAIR, HANS	\$93.03	12/10/2019	2,740	\$93.03	98.31
94	PETERSON, DOUG	\$200.00	12/13/2019	193	\$200.00	85.01
97	BURNS, ROBERT B.	\$102.07	12/11/2019	1,599	\$102.07	102.07

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**RECEIPTS THIS MONTH**

WINDERMERE ACCT #	OAKS WSC NAME	LAST PAYMENT	DAY	CHECK NUMBER	TOTAL PAID THIS MONTH	CURRENT BALANCE
99	BELL, KEITH & SANDY	\$107.63	12/10/2019	1,535	\$107.63	93.03
102	BRANCH, JOHN-CARMELL	\$122.32	12/13/2019	9,023	\$122.32	133.07
103	PENNER, SCOTT-AMY	\$300.00	12/18/2019	2,013	\$300.00	-264.98
104	DOFFING, THOMAS	\$137.20	12/2/2019	8,320	\$137.20	118.12
106	MC DONALD, MARK A.	\$107.63	12/5/2019	2,187	\$107.63	118.12
108	MEECE, M. E.	\$95.29	12/10/2019	647,746,278	\$95.29	96.04
111	BLAKE, MARIAN	\$91.53	12/10/2019	4,229	\$91.53	91.53
112	TAYLOR, DOROTHY	\$117.07	12/10/2019	86,114,299	\$117.07	114.97
113	WELLS, ROBT-DONNA	\$138.57	12/10/2019	3,165	\$408.18	102.82
122	YANCEY, JACQUELINE	\$97.55	12/13/2019	748	\$97.55	99.05
123	CROW, RICHARD	\$149.57	12/13/2019	11,855	\$149.57	137.20
124	LORMAND, HUBERT	\$116.03	12/2/2019	4,613	\$116.03	113.93
126	DOFFING, W. L.	\$142.70	12/2/2019	8,895	\$142.70	113.93
127	KMOORE INVESTMENTS	\$95.29	12/10/2019	10,224	\$95.29	92.28
128	MC DONALD, MARK	\$118.12	12/5/2019	4,647	\$118.12	109.73
129	COONS, JANICE	\$100.56	12/2/2019	6,986	\$100.56	99.81
131	COKER, J. D.	\$111.83	12/10/2019	995,029	\$111.83	117.07
132	RENO, DENVER-MARK	\$106.58	12/18/2019	174	\$106.58	107.63
133	WHITEFIELD FARMS INC.	\$66.18	12/5/2019	1,085	\$66.18	115.83
135	WINDERMERE OAKS POA	\$83.16	12/10/2019	1,369	\$83.16	53.71
137	MUSKE, LARRY	\$51.20	12/13/2019	9,006	\$51.20	-46.73
139	SUN DESERT ENTERPRISES	\$92.28	12/13/2019	87,010,276	\$92.28	91.53
143	WINDERMERE OAKS POA	\$51.20	12/10/2019	1,369	\$51.20	51.20
144	WINDERMERE OAKS POA	\$71.41	12/10/2019	1,369	\$71.41	54.42
145	WOMBLE, W. T.	\$91.53	12/13/2019	382	\$183.06	59.43
149	WADE, LARRY	\$92.28	12/5/2019	1,226	\$92.28	92.28
150	ADAIR, SCOTT	\$29.90	12/11/2019	2,333	\$29.90	29.90
151	LEWIS, MARVIN	\$105.07	12/5/2019	7,060	\$105.07	131.70
154	DELEON, ARMANDO & MA	\$133.07	12/13/2019	648,087,257	\$133.07	150.96
155	BOOTH, RAY & MARY	\$134.45	12/10/2019	995,781	\$134.45	398.55
156	DOFFING, W. L.	\$91.53	12/2/2019	8,895	\$91.53	91.53
158	EARNEST, WILLIAM T.	\$92.28	12/13/2019	5,704	\$92.28	93.03
159	CHRIS ELDER HOMES	\$127.58	12/23/2019	397	\$127.58	96.80
161	AIKMAN, BILLY	\$91.53	12/17/2019	45,975,938	\$91.53	92.28
162	BRUNS, FRANCIS	\$41.67	12/10/2019	8,423	\$41.67	51.57
163	A-K ENTERPRISES	\$102.28	12/19/2019	2,168	\$102.28	91.53
167	HAAS, PAT	\$81.20	12/10/2019	2,042	\$81.20	77.28
169	WINDERMERE OAKS POA	\$225.79	12/10/2019	1,369	\$225.79	333.73
170	FALKNER, R. JERRY	\$91.53	12/10/2019	5,434	\$91.53	91.53
171	HOLLINGSWORTH, DEWEY	\$91.06	12/5/2019	12,705	\$91.06	91.53
178	PIGG, PAM	\$55.07	12/10/2019	5,597	\$55.07	55.07
180	SLIMP, RON	\$126.52	12/13/2019	3,072	\$126.52	131.70
181	MULLIGAN, PATRICK	\$117.07	12/13/2019	648,117,257	\$117.07	121.27
185	SCHAEFER, RICH	\$100.00	12/5/2019	646,808,240	\$100.00	39.24
187	MURDOCH, JAMES	\$88.32	12/13/2019	9,815	\$88.32	92.28
189	SABO CONSOLIDATED LLC	\$96.04	12/13/2019	6,545	\$96.04	95.29
190	HELLER, ANDREW	\$91.53	12/13/2019	2,315	\$91.53	91.53
194	CLORE, MARGERY	\$104.33	12/10/2019	7,718	\$104.33	107.63
195	WYATT, JOE B - FAYE	\$101.53	12/23/2019	143	\$101.53	91.53

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**RECEIPTS THIS MONTH**

WINDERMERE ACCT #	OAKS WSC NAME	LAST PAYMENT	DAY	CHECK NUMBER	TOTAL PAID THIS MONTH	CURRENT BALANCE
196	SAATHOFF, BILL	\$32.79	12/18/2019	1,064	\$32.79	97.55
198	WILBURN, RALPH-KATHLE	\$91.53	12/13/2019	3,187	\$91.53	91.53
200	BLACKERBY, TED	\$117.07	12/10/2019	5,705	\$117.07	123.36
204	MARTIN, GARY N	\$91.53	12/13/2019	1,012	\$91.53	91.53
209	JACKSON, KEVIN	\$94.54	12/10/2019	995,865	\$94.54	65.15
210	HUSTON, CHAD	\$92.28	12/13/2019	5,192	\$92.28	91.53
217	FIVE J HOLDINGS LLC	\$91.53	12/13/2019	1,316	\$91.53	91.53
218	KRIENS, CHRIS-ROSE	\$109.73	12/11/2019	201	\$109.73	111.83
219	RODDA, BRUCE	\$112.40	12/10/2019	4,892	\$112.40	51.20
222	SWANSON, WILLIAM	\$96.04	12/10/2019	45,012,946	\$96.04	111.83
224	ATAROD, ESSI & ELSA	\$102.07	12/18/2019	1,617	\$102.07	105.84
227	DISMUKE, DARRYL & ANI	\$123.36	12/5/2019	5,221	\$123.36	131.70
229	HITE, DOUG	\$92.59	12/5/2019	147	\$92.59	103.57
231	HANNAFIN, ANNE	\$133.07	12/10/2019	45,235,251	\$133.07	128.94
232	ZAPALAC, MICHELLE-WILI	\$244.08	12/10/2019	5,354	\$244.08	223.18
233	GIBSON, CHARLES & KARF	\$125.46	12/10/2019	500,127	\$125.46	121.27
237	NELSON, MICHAEL	\$117.07	12/2/2019	5,244	\$117.07	125.46
238	WISNOSKI, PATRICK & LAI	\$248.40	12/27/2019	650,450,296	\$248.40	0.00
239	BOOTH, RAY & MARY	\$128.94	12/10/2019	995,782	\$128.94	112.87
240	BROWN, DON & KATHY	\$248.40	12/23/2019	8,725	\$248.40	0.00
249	CUDDIE, BOB & ELIZABETI	\$250.00	12/10/2019	2,918	\$250.00	-76.04
251	MC KINNEY, LANE-LORI	\$248.40	12/27/2019	1,791	\$248.40	0.00
255	LECKY, JOHN	\$248.40	12/27/2019	1,218	\$248.40	0.00
256	WINTERS, REX R-JADE M	\$248.40	12/27/2019	1,649	\$248.40	0.00
262	FEINSILVER, ALAN D.	\$248.40	12/23/2019	4,618	\$248.40	0.00
265	FOY, CAROL	\$248.40	12/23/2019	1,410	\$248.40	0.00
266	MILBURN, RAYE	\$95.29	12/10/2019	3,473	\$95.29	96.80
278	OTWELL, JOHN-CHRISTINA	\$138.57	12/11/2019	469	\$138.57	148.21
280	HILLEGEIST FAM. LIV. TRU	\$248.40	12/27/2019	6,631	\$248.40	0.00
281	QUIROGA, ARMANDO-ELIA	\$125.00	12/27/2019	649,862,470	\$250.00	-177.33
290	KOEHLER, RON	\$248.40	12/27/2019	2,637	\$248.40	0.00
291	MILLER, EARL-PAMELA	\$106.58	12/23/2019	1,137	\$213.16	0.00
292	THOMPSON, ROBERT	\$248.40	12/27/2019	1,573	\$248.40	0.00
299	ROSAS, JIMETTE	\$106.58	12/10/2019	647,689,420	\$106.58	611.11
303	HASTINGS, GEORGE & NAN	\$112.87	12/10/2019	4,484,253	\$112.87	101.31
304	MANN, SPENCE	\$248.40	12/23/2019	2,020	\$248.40	0.00
313	MC KELLOP, RICHARD & P.	\$248.40	12/23/2019	1,713	\$248.40	0.00
314	MC KELLOP, RICHARD & P.	\$248.40	12/23/2019	1,713	\$248.40	0.00
315	MEBANE, ROBERT & NICKI	\$152.40	12/27/2019	7,370	\$152.40	0.00
316	MEECE, MARSHALL	\$248.00	12/31/2019	480	\$248.00	0.00
323	ROARK, ROB-CHERIE	\$339.83	12/10/2019	1,102	\$339.83	164.72
332	MUDDER, TOM & SHERRY	\$248.40	12/27/2019	4,388	\$248.40	0.00
334	RANCH AT WINDERMERE	\$248.40	12/31/2019	1,135	\$248.40	0.00
336	POLLOCK, GREGORY	\$248.40	12/23/2019	7,853	\$248.40	0.00
341	VAVRA, JAMES	\$247.27	12/10/2019	573	\$247.27	105.84
351	ELPERS, KEVIN	\$92.28	12/10/2019	5,184	\$92.28	91.53
360	MAULDIN, JAMES D & MA	\$106.58	12/5/2019	1,233	\$106.58	105.84
364	DELEON, ARMANDO & MA	\$248.40	12/31/2019	12,488	\$248.40	0.00
374	BELL, SHERRY	\$248.40	12/27/2019	3,735	\$248.40	0.00

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**RECEIPTS THIS MONTH**

WINDERMERE ACCT #	OAKS WSC NAME	LAST PAYMENT	DAY	CHECK NUMBER	TOTAL PAID THIS MONTH	CURRENT BALANCE
377	MC ALISTER, RHETTA	\$51.20	12/10/2019	1,758	\$51.20	51.20
378	YEAMAN, KAREN	\$284.40	12/27/2019	1,494	\$284.40	0.00
380	RICHARDSON, JANEY	\$98.31	12/13/2019	639	\$98.31	100.56
386	DAVIS, HAMLET (BUDDY)	\$96.80	12/18/2019	1,256	\$96.80	100.56
388	CHRIS ELDER HOMES	\$128.72	12/23/2019	1,255	\$128.72	0.00
398	MEBANE, ROBERT & NICKI	\$152.40	12/27/2019	7,371	\$152.40	0.00
404	BECKER, AL & LISETTE	\$126.52	12/10/2019	6,431	\$126.52	91.53
417	QUICK, DEBORAH	\$225.00	12/27/2019	1,003	\$225.00	76.67
418	BELL, SHERRY	\$248.40	12/27/2019	3,735	\$248.40	0.00
426	ELLIS, JEFF & ROSE	\$133.07	12/5/2019	8,225	\$133.07	138.57
454	SORGEN, BRUCE	\$91.53	12/11/2019	1,524	\$91.53	91.53
460	GALLYAMOVA, ALBINA	\$248.40	12/27/2019	227	\$248.40	0.00
464	CHAPPELL-COX, HEATHER	\$160.00	12/27/2019	1,691	\$160.00	86.42
471	DEE, BOBBY AND ELSIE	\$94.54	12/10/2019	6,153	\$94.54	92.28
482	HARVEY, BEAU	\$213.24	12/11/2019	1,052	\$213.24	213.24
485	BOOTH, RAY & MARY	\$248.40	12/27/2019	1,082	\$248.40	0.00
489	LECKY, JOHN	\$93.03	12/17/2019	1,210	\$93.03	92.28
492	RYAN, HILLARY A.	\$91.53	12/13/2019	5,209	\$91.53	91.53
497	HUBBARD, BRADLEY B.	\$111.83	12/23/2019	2,637	\$111.83	104.33
501	CRUZ, CHARLES P. & LEIGH	\$248.40	12/27/2019	650,022,961	\$248.40	0.00
502	HARVEY, DIANNE-BEAU	\$45.77	12/11/2019	1,052	\$45.77	92.28
503	WOOD, GARY-MARY	\$66.18	12/5/2019	1,618	\$66.18	76.31
510	FELIPE VON INC./RADEBAU	\$124.20	12/27/2019	1,494	\$248.40	0.00
513	HOWARD, ROLAND-HELEN	\$92.28	12/10/2019	906,888	\$92.28	92.28
518	FELIPE VON INC./RADEBAU	\$124.20	12/27/2019	1,494	\$248.40	0.00
519	FELIPE VON INC./RADEBAU	\$124.20	12/27/2019	1,494	\$248.40	0.00
520	MARTIN, ANNETTE & TIM	\$166.09	12/13/2019	86,878,081	\$166.09	148.21
521	MAXWELL, STUART C.	\$248.40	12/27/2019	649,834,445	\$248.40	0.00
524	GERINO, THOMAS-PATRICI	\$95.54	12/13/2019	995,878	\$95.54	92.79
533	MORROW, CORY-SHERRY	\$75.00	12/27/2019	256,138,208	\$75.00	97.00
535	HARMEIER, MACEY	\$93.79	12/10/2019	557	\$202.47	121.27
536	BEASTON, SAMANTHA	\$150.00	12/5/2019	2,090	\$150.00	125.77
542	ANDREWS, TAMRA	\$116.03	12/18/2019	119	\$116.03	113.93
543	GIMENEZ, JOE	\$348.69	12/23/2019	539	\$348.69	113.93
547	CHRISTENSON, ALLEN	\$107.63	12/11/2019	2,337	\$107.63	113.93
549	LOWERY, JOHN & EMILIA	\$47.51	12/10/2019	135	\$47.51	98.31
550	TAPPAN, TRAVIS	\$141.32	12/13/2019	668,455	\$141.32	153.71
553	DURAN, OLIVIA	\$181.11	12/31/2019	117	\$181.11	141.32
554	MARTIN, JAMES & DORINE	\$91.53	12/5/2019	1,330	\$91.53	91.53
558	SKEEN, WILLIAM & HOLLY	\$113.93	12/11/2019	5,023	\$113.93	105.07
559	BUS HANGERS LLC	\$67.49	12/13/2019	1,814	\$67.49	-11.36
561	THALE, BRYAN	\$109.73	12/10/2019	5,081	\$109.73	181.23
563	BILLINGSLEY, LITTLETON	\$111.83	12/5/2019	3,607	\$111.83	117.07
564	BERTINO, DAVID-MARY	\$300.00	12/31/2019	2,761	\$300.00	114.51
565	WILLIAMS, MICHAEL	\$91.53	12/10/2019	995,071	\$91.53	91.53
567	STAGER, CHARLES & REBE	\$121.27	12/11/2019	4,313	\$121.27	127.56
568	FULLER, JOSIE	\$115.53	12/27/2019	4,176	\$115.53	106.58
569	DUNLAP, LAJUANA	\$104.33	12/10/2019	995,320	\$104.33	104.33
572	PARTRIDGE, LESLIE R.	\$100.00	12/13/2019	45,463,297	\$100.00	-67.45

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**RECEIPTS THIS MONTH**

WINDERMERE ACCT #	OAKS WSC NAME	LAST PAYMENT	DAY	CHECK NUMBER	TOTAL PAID THIS MONTH	CURRENT BALANCE
575	DOLFUSS, NELSON	\$105.84	12/13/2019	181	\$105.84	116.03
576	WALKER, STEVE	\$99.05	12/11/2019	1,015	\$99.05	100.56
577	PETTICREW, FRED	\$92.28	12/5/2019	1,166	\$92.28	93.03
578	MELLENGER, L.C.	\$92.28	12/13/2019	905,091	\$92.28	91.53
579	PETRO SOURCE CONS LLC	\$91.53	12/10/2019	1,336	\$91.53	91.53
580	WINTERS, REX	\$270.21	12/13/2019	86,678,936	\$270.21	320.16
581	REICHART, LINDA/JAY	\$92.28	12/10/2019	85,619,767	\$92.28	91.53
582	LERNER, STEVEN & NANCY	\$101.31	12/13/2019	10,044	\$101.31	181.23
583	WASHBURN, VALERIE	\$105.84	12/10/2019	45,162,780	\$105.84	105.84
584	PARK, CLARISSA	\$100.00	12/10/2019	44,590,922	\$100.00	81.61
585	MOON, THOMAS-JULIE	\$113.93	12/2/2019	3,998	\$113.93	108.68
586	GRISSOM, ROGER-CARRIE	\$95.28	12/10/2019	995,131	\$95.28	104.33
587	MC FARLAND, KATHY	\$206.44	12/11/2019	5,439	\$206.44	119.17
588	PUERTA, JACEN	\$104.00	12/13/2019	995,632	\$104.00	55.87
589	MILLER, SCOTT-JUDY	\$159.21	12/10/2019	85,840,211	\$159.21	105.84
590	WISNOSKI, PATRICK-LAUREN	\$100.00	12/5/2019	646,889,191	\$100.00	84.23
591	DAVIS, BRAD & GLYNIS	\$111.83	12/18/2019	1,196	\$111.83	113.93
592	MENENDEZ, LAUREN	\$141.32	12/18/2019	1,193	\$141.32	142.70
593	PENNER, KEN	\$144.08	12/10/2019	1,883	\$144.08	152.33
594	FERGUSON, DARLA	\$105.57	12/27/2019	1,383	\$105.57	102.82
595	JOHNSON, DEAN	\$100.00	12/13/2019	45,625,330	\$200.00	-21.66
598	CARMICHAEL, JUDITH	\$62.91	12/11/2019	2,355	\$62.91	66.18
600	COHEN, ISAAC	\$104.55	12/17/2019	648,857,045	\$104.55	10.54
602	DOSS, MICHAEL	\$91.53	12/10/2019	3,689	\$91.53	91.53
608	HISCHAR, PAUL-CHRISTINI	\$103.57	12/10/2019	8,433	\$103.57	105.07
609	PHILLIPS, ROBIN-LINDA	\$117.07	12/10/2019	500,130	\$117.07	104.33
610	SHADDOX, JAMES	\$193.06	12/10/2019	10,466	\$193.06	91.53
620	DUNLAP, LAJUANA	\$248.40	12/27/2019	89,824,633	\$248.40	0.00
621	BURT, JAY & AMBER	\$117.07	12/18/2019	295	\$117.07	126.52
622	WILLIAMS-CERECEDO, AN	\$22.88	12/5/2019	119	\$22.88	69.21
624	BRYANT, JESSICA H	\$121.27	12/18/2019	2,264	\$121.27	120.22
625	SIMMONS, JUNE	\$99.81	12/11/2019	995,087	\$99.81	96.80
627	DONATTI, FERNANDO	\$93.79	12/13/2019	995,509	\$93.79	94.54
628	DAVIS, AMY & LANCE	\$86.75	12/18/2019	232	\$86.75	98.84
629	PRINCE, SHEILA	\$117.07	12/13/2019	1,063	\$117.07	123.36
633	MEADE, CARL-CELYNA	\$6,325.00	12/5/2019	1,005	\$6,325.00	0.00
637	GEACONE, JOSEPH-JEAN	\$126.52	12/13/2019	223	\$126.52	145.45
638	RECKART, MARK	\$117.07	12/13/2019	87,102,825	\$117.07	125.46
639	FEINGERSH, LARRY A	\$93.79	12/10/2019	5,613	\$93.79	118.12
643	MOORE, GLENN & SUSAN	\$116.03	12/2/2019	180	\$116.03	118.12
646	ATAROD, ESSI AND ELSA	\$64.22	12/18/2019	1,618	\$64.22	51.57
647	HIGHFILL, KIMBERLY	\$135.82	12/2/2019	6,109	\$135.82	133.07
648	NIGH, JOHN W-SANDY	\$108.68	12/18/2019	5,242	\$108.68	106.58
650	SZUMSKI, GREG-ANNE	\$98.31	12/17/2019	8,625	\$98.31	91.53
652	CARPENTER CUSTOM HOM	\$52.99	12/11/2019	2,401	\$52.99	63.71
654	TRAN, VU NGHIA	\$96.04	12/13/2019	1,777	\$96.04	94.54
655	FLETCHER, MATTHEW-JEN	\$118.12	12/18/2019	130	\$118.12	122.32
656	FIGUEIREDO, DAVID	\$185.00	12/10/2019	45,171,635	\$185.00	75.39
657	HETZ, STEPHEN P & MARY	\$100.56	12/10/2019	6,083	\$100.56	123.36

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**RECEIPTS THIS MONTH****WINDERMERE OAKS WSC**

ACCT #	NAME	LAST PAYMENT	DAY	CHECK NUMBER	TOTAL PAID THIS MONTH	CURRENT BALANCE
662	YU, JUNG	\$97.55	12/13/2019	45,536,424	\$203.59	98.31
663	LAMNECK, ANDREA	\$128.94	12/5/2019	122	\$128.94	135.82
665	WESTERMAN, MARSHA	\$127.56	12/13/2019	6,399	\$127.56	189.41
667	MOORE CPG LLC	\$101.53	12/27/2019	5,006	\$101.53	91.53
670	MC COY, ALAN-PAMELA	\$159.21	12/10/2019	647,345,966	\$159.21	122.32
671	BLOMSTROM, EVAN-TAYL	\$219.26	12/13/2019	219	\$219.26	107.63
674	LAPOINT, STEPHEN-HIDEK	\$92.28	12/5/2019	996,169	\$92.28	92.28
675	MOREY, JEANNE	\$122.32	12/19/2019	5,030	\$122.32	130.32
676	HENDRICKS 2011 REVOCAL	\$100.00	12/27/2019	650,384,770	\$100.00	-24.66
677	BEASLEY, BONNIE	\$100.56	12/13/2019	2,075	\$100.56	96.80
684	MAYES, MICHAEL-HEATH	\$110.78	12/11/2019	1,026	\$110.78	105.07
685	BELL, PHILLIP-SHERRY	\$92.28	12/10/2019	3,933	\$92.28	97.55
686	COX, DENNIS	\$96.01	12/10/2019	647,020,070	\$96.01	93.79
687	WATTS-PENA, KAYLEE	\$244.08	12/5/2019	1,232	\$244.08	150.96
688	HARVEY, BEAU-DIANNE	\$93.03	12/11/2019	1,052	\$93.03	96.80
690	MADIGAN, JIM-DAWN	\$248.40	12/27/2019	13,310	\$248.40	0.00
691	COHEN, JOSEPH-BARBARA	\$1,116.12	12/17/2019	500,291	\$1,116.12	924.67
692	BAYER, NANCY-CURT	\$178.48	12/19/2019	88,067,293	\$178.48	184.30
694	BLAKELOC PROPERTIES LI	\$340.37	12/19/2019	1,068	\$340.37	102.07
697	DEYO, RANDY	\$150.96	12/13/2019	999,061	\$150.96	191.11
698	MATTISON, JACE J	\$150.00	12/23/2019	649,317,452	\$150.00	131.26
699	CAVAZOS,ELEANOR-ADAL	\$248.40	12/23/2019	3,176	\$248.40	0.00

267 Accounts listed

Total Amount of Receipts This Month:

\$43,563.86

Total Receivables:

85,887.76

All Customers

Windermere Oaks Water Supply Corp.

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**ALLOCATION OF RECEIPTS THIS MONTH**

\*\*WINDER\*\*

Day	WATER	SEWAGE	Late C	Connec	Adjust	Tap Fe	Equity	Tax	Stand	Prepai	Deposits	Total	App. Deposit	NET
2	826.22	507.38						6.88				1,340.48		1,340.48
5	2,086.05	1,434.52	33.35			1,725.00	4,600.00	17.61		107.26	402.50	10,406.29		10,406.29
10	5,000.97	3,444.75	64.45					41.70		(101.62)		8,450.25		8,450.25
11	1,254.78	864.09						10.45				2,129.32		2,129.32
13	3,136.56	2,140.75	10.00		(121.98)			26.41		342.13		5,533.87		5,533.87
17	1,437.89	339.55						8.89		(1.29)		1,785.04		1,785.04
18	1,567.77	1,031.26	10.81					13.00		(103.61)		2,519.23		2,519.23
19	514.18	399.37	42.32					4.58		0.19		960.64		960.64
23	655.95	383.28	33.20					5.20	1,987.20	103.88		3,168.71		3,168.71
27	453.36	277.61	73.69					3.66	5,464.80	173.50		6,446.62		6,446.62
31	254.10	184.49	40.33					2.19	744.80			1,225.91		1,225.91
	17,187.83	11,007.05	308.15		(121.98)	1,725.00	4,600.00	140.57	8,196.80	520.44	402.50	43,966.36		43,966.36

Qualified By: All Customers

Windermere Oaks Water Supply Corp.

# Billing Register

\*\*WINDER\*\*

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Connec	Adjust	Tap Fe	Equity	Tax	Stand	Prenai	PastDuc	Total
150	1 ADAIR, SCOTT	0	10335	14.95	14.95										29.90
161	1 AIKMAN, BILLY	100	644	51.31	40.51						0.46				92.28
163	1 A-K ENTERPRISES	0	5016	50.95	40.12	10.00					0.46			(10.00)	91.53
10	1 ANDERSON, JEFFREY	3,400	2216	67.15	53.52						0.60			(254.95)	(133.68)
542	1 ANDREWS, TAMRA	2,700	7420	62.60	50.76						0.57				113.93
4	1 ANGLE MEDICAL SOLU	4,400	1070	74.95	57.46						0.66			(62.40)	70.67
24	1 ARLDT, DONALD	4,200	7194	73.00							0.37				73.37
25	1 ARLDT, DONALD	500	1346	52.73							0.26				52.99
62	1 ARMSTRONG, WERRIC	4,900	614	79.83							0.40				80.23
224	1 ATAROD, ESSI & ELSA	1,900	4753	57.70	47.61						0.53				105.84
646	1 ATAROD, ESSI AND EL	100	1208	51.31							0.26				51.57
692	1 BAYER, NANCY-CURT	8,100	821	111.35	72.03						0.92				184.30
677	1 BEASLEY, BONNIE	700	6142	53.44	42.88						0.48				96.80
536	1 BEASTON, SAMANTHA	4,000	9607	71.05	55.88						0.63			(1.79)	125.77
404	1 BECKER, AL & LISETTI	0	5426	50.95	40.12						0.46				91.53
99	1 BELL, KEITH & SANDY	200	7341	51.66	40.91						0.46				93.03
685	1 BELL, PHILLIP-SHERRY	800	1693	53.79	43.27						0.49				97.55
564	1 BERTINO, DAVID-MAR	6,800	1508	98.35	66.91	13.79					0.83			(65.37)	114.51
563	1 BILLINGSLEY, LITTLE	3,000	8376	64.55	51.94						0.58				117.07
200	1 BLACKERBY, TED	3,600	449	68.45	54.30						0.61				123.36
111	1 BLAKE, MARIAN	0	2673	50.95	40.12						0.46				91.53
694	1 BLAKELOC PROPERTIE	1,400	8850	55.92	45.64						0.51				102.07
671	1 BLOMSTROM, EVAN-T.	2,100	582	58.70	48.39						0.54				107.63
41	1 BODEN, JUSTIN & KAT	1,600	7368	56.63	46.42	10.81					0.52			(10.81)	103.57
155	1 BOOTH, RAY & MARY	23,000	4556	317.05	79.52						1.98				398.55
239	1 BOOTH, RAY & MARY	2,600	4968	61.95	50.36						0.56				112.87
102	1 BRANCH, JOHN-CARMI	4,400	4421	74.95	57.46						0.66				133.07
109	1 BROWN, DON & KATH	1,300	2113	55.57	45.24						0.50			(81.43)	19.88
162	1 BRUNS, FRANCIS	100	1317	51.31							0.26				51.57
624	1 BRYANT, JESSICA H	3,300	5887	66.50	53.12						0.60				120.22
48	1 BURDETT, MIKE & BET	3,300	5073	66.50	53.12						0.60				120.22
12	1 BURNETT, JEFF	2,700	18091	62.60	50.76						0.57				113.93
97	1 BURNS, ROBERT B	1,400	7012	55.92	45.64						0.51				102.07



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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Conner	Adjust	Tap Fe	Equity	Tax	Stand	Prenai	Past Due	Total
621	1 BURT, JAY & AMBER	3,900	919	70.40	55.49						0.63				126.52
555	1 BUS HANGARS LLC	1,300	2106	55.57				121.98			0.28			(121.98)	55.85
559	1 BUS HANGERS LLC	1,100	656	54.86				(131.98)			0.27			65.49	(11.36)
349	1 CALLAWAY, TRAVIS-K	0	5577	50.95	40.12						0.46			(8.47)	83.06
3	1 CAMPBELL, ROBERT &	2,000	10228	58.05	48.00	10.61					0.53			(10.61)	106.58
598	1 CARMICHAEL, JUDITH	3,200	4417	65.85							0.33				66.18
652	1 CARPENTER CUSTOM I	700	59	53.44							0.27			10.00	63.71
32	1 CASS, TERRELL	2,300	4371	60.00		10.00					0.30			(10.00)	60.30
213	1 CHAPMAN, DAVID	0	223	50.95							0.25			(666.28)	(615.08)
464	1 CHAPPELL-COX, HEAT	3,500	9706	67.80	53.91	11.23					0.61			(47.13)	86.42
159	1 CHRIS ELDER HOMES	700	51	53.44	42.88	11.55					0.48			(11.55)	96.80
467	1 CHRIS ELDER HOMES	100	1	51.31	40.51						0.46				92.28
468	1 CHRIS ELDER HOMES	0	0												0.00
547	1 CHRISTENSON, ALLEN	2,700	12063	62.60	50.76						0.57				113.93
194	1 CLORE, MARGER Y	2,100	6667	58.70	48.39						0.54				107.63
600	1 COHEN, ISAAC	1,600	6631	56.63	46.42						0.52			(93.03)	10.54
691	1 COHEN, JOSEPH-BARB.	57,900	5210	840.55	79.52						4.60				924.67
131	1 COKER, J D	3,000	7414	64.55	51.94						0.58				117.07
17	1 CONTRERAS, ARTURO	3,000	6440	64.55	51.94						0.58			(10.38)	106.69
129	1 COONS, JANICE	1,100	21207	54.86	44.45						0.50				99.81
38	1 COSTA, JAN & SCOTT	5,200	3789	82.75	60.61						0.72				144.08
686	1 COX, DENNIS	300	17	52.02	41.30			(0.03)			0.47			0.03	93.79
123	1 CROW, RICHARD	4,700	4573	77.88	58.64						0.68				137.20
249	1 CUDDIE, BOB & ELIZAI	800	507	53.79	43.27						0.49			(173.59)	(76.04)
628	2 DAVIS, AMY & LANCE	6,800	4892	98.35							0.49				98.84
591	1 DAVIS, BRAD & GLYNI	2,700	1851	62.60	50.76						0.57				113.93
532	1 DAVIS, ELICE	3,300	9985	66.50	53.12						0.60			(330.65)	(210.43)
611	1 DAVIS, ELICE	1,200	231	55.21	44.85						0.50			(18.10)	82.46
386	1 DAVIS, HAMLET (BUDI	1,200	9338	55.21	44.85						0.50				100.56
471	1 DEE, BOBBY AND ELSI	100	23	51.31	40.51						0.46				92.28
154	1 DELEON, ARMANDO &	5,700	9354	87.63	62.58						0.75				150.96
623	1 DEUTSCHLANDER, ASI	0	564	50.95	40.12	10.00					0.46			126.46	227.99
697	1 DEYO, RANDY	8,500	23526	116.55	73.61						0.95				191.11
90	1 DEYO, RANDY & SANE	1,500	7638	56.28	46.03						0.51				102.82
226	1 DIAL, JR (DICK)	1,700	2740	56.99	46.82						0.52			(15.53)	88.80
227	1 DISMUKE, DARRYL &	4,300	11643	73.98	57.06						0.66				131.70

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Conner	Adjust	Tap Fe	Equity	Tax	Stand	Prepai	PastDue	Total
104	1 DOFFING, THOMAS	3,100	6494	65.20	52.33						0.59				118.12
126	1 DOFFING, W L	2,700	7617	62.60	50.76						0.57				113.93
156	1 DOFFING, W L	0	1041	50.95	40.12						0.46				91.53
575	1 DOLFUSS, NELSON	2,900	2649	63.90	51.55						0.58				116.03
627	1 DONATTI, FERNANDO	400	15201	52.37	41.70						0.47				94.54
602	1 DOSS, MICHAEL	0	345	50.95	40.12						0.46				91.53
605	1 DOUBLE F HANGER	200	564	51.66	40.91						0.46			(36.36)	56.67
569	1 DUNLAP, LAJUANA	1,700	4255	56.99	46.82						0.52				104.33
553	1 DURAN, OLIVIA	5,000	11697	80.80	59.82	16.39					0.70			(16.39)	141.32
158	1 EARNEST, WILLIAM T	200	847	51.66	40.91						0.46				93.03
426	1 ELLIS, JEFF & ROSE	4,800	3471	78.85	59.03						0.69				138.57
351	1 ELPERS, KEVIN	0	78	50.95	40.12						0.46				91.53
487	1 EPICH, KENNETH-CHRI	5,800	107	68.22	46.92						0.58				115.72
170	1 FALKNER, R JERRY	0	1508	50.95	40.12						0.46				91.53
639	1 FEINGERSH, LARRY A	3,100	448	65.20	52.33						0.59				118.12
594	1 FERGUSON, DARLA	1,500	3047	56.28	46.03	2.00					0.51			(2.00)	102.82
607	1 FFRENCH, LAWRENCE	1,800	11193	57.34	47.21						0.52			(20.89)	84.18
656	1 FIGUEIREDO, DAVID	200	8539	51.66	40.91						0.46			(17.64)	75.39
217	1 FIVE J HOLDINGS LLC	0	447	50.95	40.12						0.46				91.53
655	1 FLETCHER, MATTHEW	3,500	1037	67.80	53.91						0.61				122.32
54	1 FLUNKER, PATRICIA	3,300	7056	66.50							0.33			(2.31)	64.52
58	1 FLUNKER, PATRICIA	900	8974	54.15							0.27			(2.30)	52.12
30	1 FORD, JOHN	6,000	7916	90.55	63.76						0.77				155.08
16	1 FOY, CAROL	2,900	5514	63.90	51.55						0.58				116.03
568	1 FULLER, JOSIE	2,000	3760	58.05	48.00	10.46					0.53			(10.46)	106.58
70	1 GAIENNIE, JAMES	2,900	10950	63.90	51.55						0.58				116.03
285	1 GALLYAMOVA, ALBIN	3,600	8774	68.45	54.30						0.61			(832.88)	(709.52)
637	1 GEACCONE, JOSEPH-JE	5,300	655	83.73	61.00						0.72				145.45
6	1 GELINAS, CHARLES	3,900	19194	70.40	55.49						0.63				126.52
524	1 GERINO, THOMAS-PAT	300	1704	52.02	41.30						0.47			(1.00)	92.79
233	1 GIBSON, CHARLES & K	3,400	7813	67.15	53.52						0.60				121.27
543	1 GIMENEZ, JOE	2,700	6724	62.60	50.76						0.57				113.93
586	1 GRISSOM, ROGER-CAR	1,700	938	56.99	46.82						0.52				104.33
167	1 HAAS, PAT	4,600	4709	76.90							0.38				77.28
0 Assessment Months Remaining of			\$ 0.00	Total Undue Amount. \$ 0.00											
15	1 HAGAR, JEFFREY	2,300	1798	60.00	49.18						0.55				109.73

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Conner	Adjust	Tap Fe	Equity	Tax	Stand	Prenat	Past Due	Total
603	1 HANCOCK, DEBORAH	1,700	484	56.99	46.82						0.52			(125.30)	(20.97)
125	1 HANEL, EDWARD	0	102	50.95	40.12						0.46				91.53
231	1 HANNAFIN, ANNE	4,100	8461	72.03	56.27						0.64				128.94
84	1 HARDWICK, CINDY & I	1,500	620	56.28	46.03						0.51				102.82
535	1 HARMEIER, MACEY	3,400	9211	67.15	53.52			(10.00)			0.60			10.00	121.27
85	1 HARRISON, HENRY-CH	1,200	828	55.21	44.85						0.50				100.56
482	1 HARVEY, BEAU	9,800	10658	133.45	78.73						1.06				213.24
688	1 HARVEY, BEAU-DIANN	700	15270	53.44	42.88						0.48				96.80
502	1 HARVEY, DIANNE-BEA	100	786	51.31	40.51						0.46				92.28
303	1 HASTINGS, GEORGE &	1,300	3300	55.57	45.24						0.50				101.31
107	1 HEINE, JON & SUE	0	4625	50.95	40.12						0.46			(261.81)	(170.28)
190	1 HELLER, ANDREW	0	180	50.95	40.12						0.46				91.53
676	1 HENDRICKS 2011 REVC	0	29	50.95	40.12						0.46			(116.19)	(24.66)
657	1 HETZ, STEPHEN P & M	3,600	474	68.45	54.30						0.61				123.36
20	1 HICKS, ALLEN R	2,900	15977	63.90	51.55						0.58				116.03
27	1 HICKS, ROBERT	2,600	11153	61.95	50.36						0.56				112.87
647	1 HIGHFILL, KIMBERLY	4,400	1445	74.95	57.46						0.66				133.07
608	1 HISCHAR, PAUL-CHRIS	1,800	3586	57.34	47.21						0.52				105.07
229	1 HITE, DOUG	1,600	7943	56.63	46.42						0.52				103.57
534	1 HOEKSTRA, DIRK	3,700	4642	69.10	54.70						0.62			(299.10)	(174.68)
171	1 HOLLINGSWORTH, DE'	0	14458	50.95	40.12						0.46				91.53
513	1 HOWARD, ROLAND-HE	100	212	51.31	40.51						0.46				92.28
230	1 HOWLE, JAMES	0	12700	50.95	40.12						0.46			94.54	186.07
497	1 HUBBARD, BRADLEY I	1,700	816	56.99	46.82						0.52				104.33
210	1 HUSTON, CHAD	0	458	50.95	40.12						0.46				91.53
5	1 INGHAM, JERRY	2,100	1148	58.70	48.39						0.54				107.63
21	1 IVEY, CINDY A & IAME	1,100	14797	54.86	44.45						0.50				99.81
209	1 JACKSON, KEVIN	100	1044	51.31	40.51						0.46			(27.13)	65.15
599	1 JAMES, PATRICK	4,300	3862	73.98	57.06						0.66			(27.00)	104.70
595	1 JOHNSON, DEAN	100	61	51.31	40.51						0.46			(113.94)	(21.66)
110	1 JOHNSON, IRWIN	0	7190	50.95	40.12						0.46			(211.05)	(119.52)
186	1 JOHNSON, IRWIN	0	571	50.95	40.12						0.46			(5.79)	85.74
641	1 KERLEY-JENSEN FAMI	0	915	50.95	40.12			10.00			0.46			92.28	193.81
127	1 KMOORE INVESTMENT	100	726	51.31	40.51						0.46				92.28
29	1 KOEHLER, RON	6,400	37440	94.45	65.34						0.80				160.59
218	1 KRIENS, CHRIS-ROSE	2,500	331	61.30	49.97						0.56				111.83

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Connce	Adjust	Tap Fe	Equity	Tax	Stand	Prenaj	PastDue	Total
663	1 LAMNECK, ANDREA	4,600	291	76.90	58.24						0.68				135.82
606	1 LAMPLIGHTER 82 LLC	0	27	50.95	40.12						0.46			(116.94)	(25.41)
674	1 LAPOINT, STEPHEN-HII	100	201	51.31	40.51						0.46				92.28
23	1 LASSERE, CYNTHIA LE	0	501	50.95							0.25				51.20
77	1 LECKY, JOHN	200	8683	51.66	40.91						0.46				93.03
489	1 LECKY, JOHN	100	4502	51.31	40.51						0.46				92.28
582	1 LERNER, STEVEN & NA	7,900	4920	109.08	71.25						0.90				181.23
151	1 LEWIS, MARVIN	4,300	17102	73.98	57.06						0.66				131.70
124	1 LORMAND, HUBERT	2,700	6686	62.60	50.76						0.57				113.93
549	1 LOWERY, JOHN & EMII	900	4597	54.15	43.67						0.49				98.31
93	1 MAIR, HANS	900	510	54.15	43.67						0.49				98.31
520	1 MARTIN, ANNETTE & T	5,500	10811	85.68	61.79						0.74				148.21
566	1 MARTIN, CHARLES & J	500	1192	52.73	42.09	10.00					0.47			71.53	176.82
52	1 MARTIN, DANA	1,900	13687	57.70							0.29			(506.15)	(448.16)
204	1 MARTIN, GARY N	0	48	50.95	40.12						0.46				91.53
554	1 MARTIN, JAMES & DOF	0	5435	50.95	40.12						0.46				91.53
461	1 MARTIN, SCOTT	2,100	12795	58.70	48.39			(212.49)			0.54			207.14	102.28
540	1 MARTIN, SCOTT	100	310	51.31	40.51			212.49			0.46			(212.49)	92.28
698	1 MATTISON, JACE J	4,700	3943	77.88	58.64						0.68			(5.94)	131.26
360	1 MAULDIN, JAMES D &	1,900	299	57.70	47.61						0.53				105.84
684	1 MAYES, MICHAEL-HEA	1,800	476	57.34	47.21						0.52				105.07
37	1 MC ALISTER, RHETTA	300	2943	52.02	41.30						0.47				93.79
377	1 MC ALISTER, RHETTA	0	4490	50.95							0.25				51.20
50	1 MC CORMICK, MICHAEL	100	1478	51.31	40.51						0.46			(2.26)	90.02
670	1 MC COY, ALAN-PAMEL	3,500	5688	67.80	53.91						0.61				122.32
128	1 MC DONALD, MARK	2,300	23290	60.00	49.18						0.55				109.73
106	1 MC DONALD, MARK A.	3,100	11877	65.20	52.33						0.59				118.12
587	1 MC FARLAND, KATHY	3,200	4563	65.85	52.73						0.59				119.17
36	1 MC KELLOP, RICHARD	5,000	34389	80.80	59.82						0.70				141.32
633	1 MEADE, CARL-CELYN/	0	0						1,725.00	4,600.00				(6,325.00)	0.00
42	1 MEBANE, ROBERT & N	900	1492	54.15	43.67						0.49				98.31
108	1 MEECE, M E	600	4441	53.08	42.48						0.48				96.04
578	1 MELLENGER, L C	0	145	50.95	40.12						0.46				91.53
592	1 MENENDEZ, LAUREN	5,100	4250	81.78	60.21						0.71				142.70
266	1 MILBURN, RAYE	700	347	53.44	42.88						0.48				96.80
291	1 MILLER, EARL-PAMEL	2,000	435	58.05	48.00						0.53			(106.58)	0.00

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Conner	Adjust	Tap Fe	Equity	Tax	Stand	Prenai	Past Due	Total
589	1 MILLER, SCOTT-JUDY	1,900	1763	57 70	47 61						0.53				105 84
585	1 MOON, THOMAS-JULIE	2,200	840	59.35	48 79						0 54				108 68
667	1 MOORE CPG LLC	0	181	50 95	40 12	10 00					0.46			(10 00)	91 53
643	1 MOORE, GLENN & SUS	3,100	4101	65 20	52 33						0 59				118 12
675	1 MOREY, JEANNE	4,200	883	73.00	56 67						0 65				130 32
533	1 MORROW, CORY-SHER	6,100	14460	91.53	64 15						0 78			(59 46)	97 00
192	1 MORSE, NORMAN	1,100	4655	54 86	44 45						0.50			(348 78)	(248 97)
87	1 MUDDER, TOM-SHERR	1,200	526	55 21	44.85						0 50				100 56
181	1 MULLIGAN, PATRICK	3,400	12469	67 15	53.52						0 60				121 27
187	1 MURDOCH, JAMES	100	665	51 31	40 51						0 46				92 28
137	1 MUSKE, LARRY	0	2275	50 95							0 25			(97 93)	(46 73)
237	1 NELSON, MICHAEL	3,800	1750	69 75	55 09						0 62				125 46
648	1 NIGH, JOHN W-SANDY	2,000	730	58.05	48 00						0 53				106 58
278	1 OTWELL, JOHN-CHRIS	5,500	8848	85.68	61.79						0 74				148 21
584	1 PARK, CLARISSA	900	4447	54.15	43 67						0 49			(16 70)	81 61
572	1 PARTRIDGE, LESLIE R	600	204	53 08	42 48						0 48			(163 49)	(67 45)
593	1 PENNER, KEN	5,800	4305	88 60	62 97						0 76				152 33
103	1 PENNER, SCOTT-AMY	3,900	10635	70 40	55.49						0 63			(391 50)	(264 98)
94	1 PETERSON, DOUG	1,600	10452	56 63	46 42						0 52			(18 56)	85 01
579	1 PETRO SOURCE CONS I	0	9	50 95	40 12						0 46				91 53
577	1 PETTICREW, FRED	200	42	51 66	40 91						0 46				93 03
609	1 PHILLIPS, ROBIN-LIND	1,700	1435	56.99	46 82						0 52				104 33
178	1 PIGG, PAM	0	5080	14 95	40 12										55 07
629	1 PRINCE, SHEILA	3,600	7138	68.45	54.30						0 61				123 36
588	1 PUERTA, JACEN	700	203	53 44	42 88						0.48			(40 93)	55.87
417	1 QUICK, DEBORAH	600	18820	53 08	42 48	10 00					0 48			(29 37)	76 67
281	1 QUIROGA, ARMANDO-	1,200	7063	55 21	44 85						0 50			(277 89)	(177 33)
596	1 RATTRAY, EVAN-PHEE	0	10438											614 44	614 44
638	1 RECKART, MARK	3,800	5295	69 75	55.09						0 62				125.46
581	1 REICHART, LINDA/JAY	0	3573	50.95	40 12						0 46				91 53
132	1 RENO, DENVER-MARK	2,100	2049	58 70	48 39						0.54				107 63
114	1 REYNOLDS, ROBERT-C	4,200	2442	73 00	56 67						0 65			(790 51)	(660 19)
380	1 RICHARDSON, JANEY	1,200	11492	55 21	44 85						0 50				100 56
19	1 RIGGAN, TONY C	1,100	6660	54 86	44.45						0 50				99 81
323	1 ROARK, ROB-CHERIE	6,700	14304	97 38	66 52						0 82				164 72
219	1 RODDA, BRUCE	0	0	50 95							0 25				51 20

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Conner	Adjust	Tap Fe	Equity	Tax	Stand	Prenat	Past Due	Total
299	1 ROSAS, JIMETTE	37,100	1435	528.55	79.52						3.04				611.11
183	1 ROSS, NED	0	1874	50.95	40.12	10.00					0.46			91.53	193.06
73	1 ROTHERMEL JR, WM. C	0	6165	50.95	40.12						0.46				91.53
492	1 RYAN, HILLARY A	0	584	50.95	40.12						0.46				91.53
196	1 SAATHOFF, BILL	800	1016	53.79	43.27						0.49				97.55
189	1 SABO CONSOLIDATED	500	2542	52.73	42.09						0.47				95.29
185	1 SCHAEFER, RICH	300	3624	52.02	41.30						0.47			(54.55)	39.24
610	1 SHADDOX, JAMES	0	2	50.95	40.12						0.46				91.53
625	1 SIMMONS, JUNE	700	447	53.44	42.88						0.48				96.80
82	1 SISSINGHURST LTD	400	3859	52.37	41.70						0.47				94.54
558	1 SKEEN, WILLIAM & HC	1,800	8395	57.34	47.21						0.52				105.07
180	1 SLIMP, RON	4,300	11902	73.98	57.06						0.66				131.70
454	1 SORGEN, BRUCE	0	341	50.95	40.12						0.46				91.53
177	1 SPECHT, ERICH	1,300	12997	55.57	45.24	10.00					0.50			93.83	205.14
182	1 SPICEWOOD AIRPORT	0	10536	14.95	14.95									(2.50)	27.40
567	1 STAGER, CHARLES & R	4,000	388	71.05	55.88						0.63				127.56
13	1 STAHL, CHRIS-JOLENE	4,000	10095	71.05	55.88						0.63				127.56
202	1 STEIN, BARRY	2,500	2432	61.30	49.97						0.56			(182.54)	(70.71)
66	1 STEIN, BILL	1,000	784	54.50	44.06						0.49			(3.59)	95.46
56	1 STUART, RICHARD	0	8367	50.95		10.00					0.25			(10.00)	51.20
139	1 SUN DESERT ENTERPR	0	162	50.95	40.12						0.46				91.53
222	1 SWANSON, WILLIAM	2,500	4476	61.30	49.97						0.56				111.83
650	1 SZUMSKI, GREG-ANNE	0	10248	50.95	40.12						0.46				91.53
550	1 TAPPAN, TRAVIS	5,900	5446	89.58	63.37						0.76				153.71
112	1 TAYLOR, DOROTHY	2,800	3551	63.25	51.15						0.57				114.97
561	1 THALE, BRYAN	7,900	6820	109.08	71.25						0.90				181.23
654	1 TRAN, VU NGHIA	400	3101	52.37	41.70						0.47				94.54
67	1 VANOS, FRANK	3,500	715	67.80	53.91						0.61			(80.86)	41.46
341	1 VAVRA, JAMES	1,900	10280	57.70	47.61						0.53				105.84
149	1 WADE, LARRY	100	702	51.31	40.51						0.46				92.28
76	1 WAGNER, ROBIN	900	13246	54.15	43.67						0.49				98.31
576	1 WALKER, STEVE	1,200	1356	55.21	44.85						0.50				100.56
583	1 WASHBURN, VALERIE	1,900	1267	57.70	47.61						0.53				105.84
687	1 WATTS-PENA, KAYLEE	5,700	624	87.63	62.58						0.75				150.96
113	1 WELLS, ROBT-DONNA	1,500	1935	56.28	46.03			(70.81)			0.51			70.81	102.82
39	1 WELLS, SIDNEY-LINDA	0	6478	50.95	40.12						0.46			(7.74)	83.79

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Acct	Rt	Name	Usage	Reading	WATER	SEWAGE	Late C	Connec	Adjust	Tap Fe	Equity	Tax	Stand	Prepai	Past Due	Total
665	1	WESTERMAN, MARSH/	8,400	530	115.25	73.22						0.94				189.41
51	1	WHEELER, GREG	1,400	10108	55.92	45.64						0.51				102.07
133	1	WHITEFIELD FARMS IN	8,400	3899	115.25							0.58				115.83
92	1	WIGGINS, TERRY-LORI	900	4336	54.15	43.67						0.49				98.31
198	1	WILBURN, RALPH-KAT	0	9227	50.95	40.12						0.46				91.53
565	1	WILLIAMS, MICHAEL	0	4	50.95	40.12						0.46				91.53
622	1	WILLIAMS-CERECEDO	2,800	1134	63.25	51.15						0.57			(45.76)	69.21
59	1	WINDERMERE HANGA	600	1360	53.08	42.48						0.48				96.04
135	1	WINDERMERE OAKS Pt	700	7313	53.44							0.27				53.71
143	1	WINDERMERE OAKS Pt	0	5552	50.95							0.25				51.20
144	1	WINDERMERE OAKS Pt	900	6640	54.15							0.27				54.42
169	1	WINDERMERE OAKS Pt	18,700	1368	252.55	79.52						1.66				333.73
22	1	WINSLOW, LEONA	1,900	4336	57.70	47.61	10.61					0.53			106.58	223.03
580	1	WINTERS, REX	17,800	3041	239.05	79.52						1.59				320.16
590	1	WISNOSKI, PATRICK-L	500	6639	52.73	42.09						0.47			(11.06)	84.23
1	1	WOMBLE, W. T	0	210	50.95	40.12						0.46			(91.53)	0.00
145	1	WOMBLE, W. T	5,700	1203	87.63	62.58			(819.57)			0.75			728.04	59.43
503	1	WOOD, GARY-MARY	4,500	9823	75.93							0.38				76.31
18	1	WORLEY, DAVID S	5,700	11168	87.63	62.58						0.75				150.96
7	1	WRIGHT, ELEANOR	0	4666	50.95	40.12						0.46				91.53
195	1	WYATT, JOE B - FAYE	0	762	50.95	40.12	10.00					0.46			(10.00)	91.53
100	1	WYNNE, DIANA J	10,000	14993	136.05	79.52						1.08			(169.30)	47.35
122	1	YANCEY, JACQUELINE	1,000	8070	54.50	44.06						0.49				99.05
307	1	YEAMAN, KAREN	400	77	52.37	41.70			(36.00)			0.47			2.09	60.63
662	1	YU, JUNG	900	4479	54.15	43.67						0.49				98.31
232	1	ZAPALAC, MICHELLE-1	10,500	33585	142.55	79.52						1.11				223.18

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Attachment JG-30

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Connec	Adjust	Tap Fe	Equity	Tax	Stand	Prepai	PastDue	Total
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\*\*WINDER\*\*

# Billing Register Summary

WATER	\$18,637.04
SEWAGE	\$11,981.62
Late Charge	\$207.45
Connection Fee	
Adjustments	(\$946.41)
Tap Fees	\$1,725.00
Equity Buy In	\$4,600.00
Tax	\$152.76
Stand By Fee	
Prepaid	
Windermere Oaks Water Supply Corp.	

Total Current Charges	\$36,357.46
Past Due	\$2,384.79
Prepay/Overpay	(\$14,323.50)
Total Receivables	\$24,418.75

Total Usage	718,500
274 Accounts Listed	

Qualified By: All Customers Rate Category = X



# Billing Register

^\*WINDER\*\*

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Connec	Adjust	Tan Fe	Equity	Tax	Stand	Prepai	PastDue	Total
1	1 WOMBLE, W T	0	210	50.95	40.12						0.46			(91.53)	0.00
3	1 CAMPBELL, ROBERT &	2,000	10228	58.05	48.00	10.61					0.53			(10.61)	106.58
4	1 ANGLE MEDICAL SOLI	4,400	1070	74.95	57.46						0.66			(62.40)	70.67
5	1 INGHAM, JERRY	2,100	1148	58.70	48.39						0.54				107.63
6	1 GELINAS, CHARLES	3,900	19194	70.40	55.49						0.63				126.52
7	1 WRIGHT, ELEANOR	0	4666	50.95	40.12						0.46				91.53
10	1 ANDERSON, JEFFREY	3,400	2216	67.15	53.52						0.60			(254.95)	(133.68)
12	1 BURNETT, JEFF	2,700	18091	62.60	50.76						0.57				113.93
13	1 STAHL, CHRIS-JOLENE	4,000	10095	71.05	55.88						0.63				127.56
15	1 HAGAR, JEFFREY	2,300	1798	60.00	49.18						0.55				109.73
16	1 FOY, CAROL	2,900	5514	63.90	51.55						0.58				116.03
17	1 CONTRERAS, ARTURO	3,000	6440	64.55	51.94						0.58			(10.38)	106.69
18	1 WORLEY, DAVID S	5,700	11168	87.63	62.58						0.75				150.96
19	1 RIGGAN, TONY C	1,100	6660	54.86	44.45						0.50				99.81
20	1 HICKS, ALLEN R	2,900	15977	63.90	51.55						0.58				116.03
21	1 IVEY, CINDY A & JAMI	1,100	14797	54.86	44.45						0.50				99.81
22	1 WINSLOW, LEONA	1,900	4336	57.70	47.61	10.61					0.53			106.58	223.03
23	1 LASSERE, CYNTHIA LE	0	501	50.95							0.25				51.20
24	1 ARLDT, DONALD	4,200	7194	73.00							0.37				73.37
25	1 ARLDT, DONALD	500	1346	52.73							0.26				52.99
27	1 HICKS, ROBERT	2,600	11153	61.95	50.36						0.56				112.87
29	1 KOEHLER, RON	6,400	37440	94.45	65.34						0.80				160.59
30	1 FORD, JOHN	6,000	7916	90.55	63.76						0.77				155.08
32	1 CASS, TERREL	2,300	4371	60.00		10.00					0.30			(10.00)	60.30
36	1 MC KELLOP, RICHARD	5,000	34389	80.80	59.82						0.70				141.32
37	1 MC ALISTER, RHETTA	300	2943	52.02	41.30						0.47				93.79
38	1 COSTA, JAN & SCOTT	5,200	3789	82.75	60.61						0.72				144.08
39	1 WELLS, SIDNEY-LINDA	0	6478	50.95	40.12						0.46			(7.74)	83.79
41	1 BODEN, JUSTIN & KAT	1,600	7368	56.63	46.42	10.81					0.52			(10.81)	103.57
42	1 MEBANE, ROBERT & N	900	1492	54.15	43.67						0.49				98.31
48	1 BURDETT, MIKE & BET	3,300	5073	66.50	53.12						0.60				120.22
50	1 MC CORMICK, MICHAEL	100	1478	51.31	40.51						0.46			(2.26)	90.02
51	1 WHEELER, GREG	1,400	10108	55.92	45.64						0.51				102.07

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Conner	Adjust	Tap Fe	Equity	Tax	Stand	Precal	PastDue	Total
52	1 MARTIN, DANA	1,900	13687	57.70							0.29			(506.15)	(448.16)
54	1 FLUNKER, PATRICIA	3,300	7056	66.50							0.33			(2.31)	64.52
56	1 STUART, RICHARD	0	8367	50.95		10.00					0.25			(10.00)	51.20
58	1 FLUNKER, PATRICIA	900	8974	54.15							0.27			(2.30)	52.12
59	1 WINDERMERE HANGA	600	1360	53.08	42.48						0.48				96.04
62	1 ARMSTRONG, WERRIC	4,900	614	79.83							0.40				80.23
66	1 STEIN, BILL	1,000	784	54.50	44.06						0.49			(3.59)	95.46
67	1 VANOS, FRANK	3,500	715	67.80	53.91						0.61			(80.86)	41.46
70	1 GAIENNIE, JAMES	2,900	10950	63.90	51.55						0.58				116.03
73	1 ROTHERMEL JR, WM C	0	6165	50.95	40.12						0.46				91.53
76	1 WAGNER, ROBIN	900	13246	54.15	43.67						0.49				98.31
77	1 LECKY, JOHN	200	8683	51.66	40.91						0.46				93.03
82	1 SISSINGHURST LTD	400	3859	52.37	41.70						0.47				94.54
84	1 HARDWICK, CINDY & I	1,500	620	56.28	46.03						0.51				102.82
85	1 HARRISON, HENRY-CIT	1,200	828	55.21	44.85						0.50				100.56
87	1 MUDDER, TOM-SHERR	1,200	526	55.21	44.85						0.50				100.56
90	1 DEYO, RANDY & SAND	1,500	7638	56.28	46.03						0.51				102.82
92	1 WIGGINS, TERRY-LORI	900	4336	54.15	43.67						0.49				98.31
93	1 MAIR, HANS	900	510	54.15	43.67						0.49				98.31
94	1 PETERSON, DOUG	1,600	10452	56.63	46.42						0.52			(18.56)	85.01
97	1 BURNS, ROBERT B	1,400	7012	55.92	45.64						0.51				102.07
99	1 BELL, KEITH & SANDY	200	7341	51.66	40.91						0.46				93.03
100	1 WYNNE, DIANA J	10,000	14993	136.05	79.52						1.08			(169.30)	47.35
102	1 BRANCH, JOHN-CARMI	4,400	4421	74.95	57.46						0.66				133.07
103	1 PENNER, SCOTT-AMY	3,900	10635	70.40	55.49						0.63			(391.50)	(264.98)
104	1 DOFFING, THOMAS	3,100	6494	65.20	52.33						0.59				118.12
106	1 MC DONALD, MARK A	3,100	11877	65.20	52.33						0.59				118.12
107	1 HEINE, JON & SUE	0	4625	50.95	40.12						0.46			(261.81)	(170.28)
108	1 MEECE, M E	600	4441	53.08	42.48						0.48				96.04
109	1 BROWN, DON & KATH	1,300	2113	55.57	45.24						0.50			(81.43)	19.88
110	1 JOHNSON, IRWIN	0	7190	50.95	40.12						0.46			(211.05)	(119.52)
111	1 BLAKE, MARIAN	0	2673	50.95	40.12						0.46				91.53
112	1 TAYLOR, DOROTHY	2,800	3551	63.25	51.15						0.57				114.97
113	1 WELLS, ROBT-DONNA	1,500	1935	56.28	46.03			(70.81)			0.51			70.81	102.82
114	1 REYNOLDS, ROBERT-C	4,200	2442	73.00	56.67						0.65			(790.51)	(660.19)
122	1 YANCEY, JACQUELINE	1,000	8070	54.50	44.06						0.49				99.05

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Connec	Adjust	Tap Fe	Equity	Tax	Stand	Prepai	PastDue	Total	
123	1 CROW, RICHARD	4,700	4573	77 88	58 64						0.68				137 20	
124	1 LORMAND, HUBERT	2,700	6686	62 60	50 76						0 57				113.93	
125	1 HANEL, EDWARD	0	102	50 95	40 12						0 46				91.53	
126	1 DOFFING, W. L	2,700	7617	62 60	50 76						0 57				113.93	
127	1 KMOORE INVESTMENT	100	726	51.31	40.51						0.46				92 28	
128	1 MC DONALD, MARK	2,300	23290	60.00	49 18						0 55				109.73	
129	1 COONS, JANICE	1,100	21207	54 86	44 45						0.50				99 81	
131	1 COKER, J D	3,000	7414	64 55	51 94						0.58				117 07	
132	1 RENO, DENVER-MARK	2,100	2049	58 70	48 39						0 54				107.63	
133	1 WHITEFIELD FARMS IN	8,400	3899	115 25							0 58				115 83	
135	1 WINDERMERE OAKS P	700	7313	53 44							0 27				53 71	
137	1 MUSKE, LARRY	0	2275	50 95							0 25			(97 93)	(46 73)	
139	1 SUN DESERT ENTERPR	0	162	50.95	40 12						0 46				91.53	
143	1 WINDERMERE OAKS P	0	5552	50 95							0.25				51 20	
144	1 WINDERMERE OAKS P	900	6640	54 15							0.27				54 42	
145	1 WOMBLE, W T	5,700	1203	87 63	62 58			(819 57)			0 75			728.04	59 43	
149	1 WADE, LARRY	100	702	51.31	40 51						0.46				92 28	
150	1 ADAIR, SCOTT	0	10335	14.95	14 95										29 90	
151	1 LEWIS, MARVIN	4,300	17102	73 98	57 06						0 66				131.70	
154	1 DELEON, ARMANDO &	5,700	9354	87.63	62 58						0.75				150.96	
155	1 BOOTH, RAY & MARY	23,000	4556	317.05	79 52						1.98				398 55	
156	1 DOFFING, W L	0	1041	50.95	40 12						0 46				91.53	
158	1 EARNEST, WILLIAM T	200	847	51 66	40.91						0 46				93 03	
159	1 CHRIS ELDER HOMES	700	51	53 44	42 88	11.55					0 48			(11 55)	96 80	
161	1 AIKMAN, BILLY	100	644	51 31	40.51						0 46				92.28	
162	1 BRUNS, FRANCIS	100	1317	51.31							0 26				51.57	
163	1 A-K ENTERPRISES	0	5016	50 95	40 12	10 00					0 46			(10 00)	91 53	
167	1 HAAS, PAT	4,600	4709	76 90							0 38				77 28	
0 Assessment Months Remaining of		\$ 0 00		Total Undue Amount: \$ 0.00												
169	1 WINDERMERE OAKS P	18,700	1368	252.55	79 52						1 66				333.73	
170	1 FALKNER, R JERRY	0	1508	50 95	40 12						0.46				91 53	
171	1 HOLLINGSWORTH, DE	0	14458	50 95	40 12						0 46				91 53	
177	1 SPECHT, ERICH	1,300	12997	55 57	45.24	10.00					0 50			93 83	205 14	
178	1 PIGG, PAM	0	5080	14 95	40 12										55 07	
180	1 SLIMP, RON	4,300	11902	73.98	57 06						0.66				131 70	
181	1 MULLIGAN, PATRICK	3,400	12469	67.15	53 52						0 60				121 27	

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Connet	Adjust	Tap Fe	Equity	Tax	Stand	Prenai	Past Due	Total
182	1 SPICEWOOD AIRPORT	0	10536	14 95	14 95									(2 50)	27 40
183	1 ROSS, NED	0	1874	50 95	40 12	10 00					0 46			91 53	193 06
185	1 SCHAEFER, RICH	300	3624	52 02	41 30						0 47			(54 55)	39 24
186	1 JOHNSON, IRWIN	0	571	50 95	40 12						0 46			(5 79)	85 74
187	1 MURDOCH, JAMES	100	665	51 31	40 51						0 46				92 28
189	1 SABO CONSOLIDATED	500	2542	52 73	42 09						0 47				95 29
190	1 HELLER, ANDREW	0	180	50 95	40 12						0 46				91 53
192	1 MORSE, NORMAN	1,100	4655	54 86	44 45						0 50			(348 78)	(248 97)
194	1 CLORE, MARGER Y	2,100	6667	58 70	48 39						0 54				107 63
195	1 WYATT, JOE B - FAYE	0	762	50 95	40 12	10 00					0 46			(10 00)	91 53
196	1 SAATHOFF, BILL	800	1016	53 79	43 27						0 49				97 55
198	1 WILBURN, RALPH-KA1	0	9227	50 95	40 12						0 46				91 53
200	1 BLACKERBY, TED	3,600	449	68 45	54 30						0 61				123 36
202	1 STEIN, BARRY	2,500	2432	61 30	49 97						0 56			(182 54)	(70 71)
204	1 MARTIN, GARY N	0	48	50 95	40 12						0 46				91 53
209	1 JACKSON, KEVIN	100	1044	51 31	40 51						0 46			(27 13)	65 15
210	1 HUSTON, CHAD	0	458	50 95	40 12						0 46				91 53
213	1 CHAPMAN, DAVID	0	223	50 95							0 25			(666 28)	(615 08)
217	1 FIVE J HOLDINGS LLC	0	447	50 95	40 12						0 46				91 53
218	1 KRIENS, CHRIS-ROSE	2,500	331	61 30	49 97						0 56				111 83
219	1 RODDA, BRUCE	0	0	50 95							0 25				51 20
222	1 SWANSON, WILLIAM	2,500	4476	61 30	49 97						0 56				111 83
224	1 A FAROD, ESSI & ELSA	1,900	4753	57 70	47 61						0 53				105 84
226	1 DIAL, JR (DICK)	1,700	2740	56 99	46 82						0 52			(15 53)	88 80
227	1 DISMUKE, DARRYL & /	4,300	11643	73 98	57 06						0 66				131 70
229	1 HITE, DOUG	1,600	7943	56 63	46 42						0 52				103 57
230	1 HOWLE, JAMES	0	12700	50 95	40 12						0 46			94 54	186 07
231	1 HANNAFIN, ANNE	4,100	8461	72 03	56 27						0 64				128 94
232	1 ZAPALAC, MICHELLE-A	10,500	33585	142 55	79 52						1 11				223 18
233	1 GIBSON, CHARLES & K	3,400	7813	67 15	53 52						0 60				121 27
237	1 NELSON, MICHAEL	3,800	1750	69 75	55 09						0 62				125 46
239	1 BOOTH, RAY & MARY	2,600	4968	61 95	50 36						0 56				112 87
249	1 CUDDIE, BOB & ELIZAI	800	507	53 79	43 27						0 49			(173 59)	(76 04)
266	1 MILBURN, RAYE	700	347	53 44	42 88						0 48				96 80
278	1 OTWELL, JOHN-CHRIS	5,500	8848	85 68	61 79						0 74				148 21
281	1 QUIROGA, ARMANDO-	1,200	7063	55 21	44 85						0 50			(277 89)	(177 33)