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DEPOSITION SUMMARY

Strategic Case Assessment & Disaffiliation Defense Analysis: Cause No. DC-26-14816

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1.1 Synthesis of Litigation Posture

The instant action, styled *Horizon Texas Annual Conference of The United Methodist Church v. Highland Park Methodist Church, Inc. d/b/a Highland Park United Methodist Church*, Cause No. DC-26-14816, is currently pending in the 193rd Judicial District Court of Dallas County, Texas, . The plaintiff, Horizon Texas Annual Conference, has initiated this litigation via a Plaintiff's Original Petition for Declaratory Judgment . Service has been executed, and the matter is actively docketed .

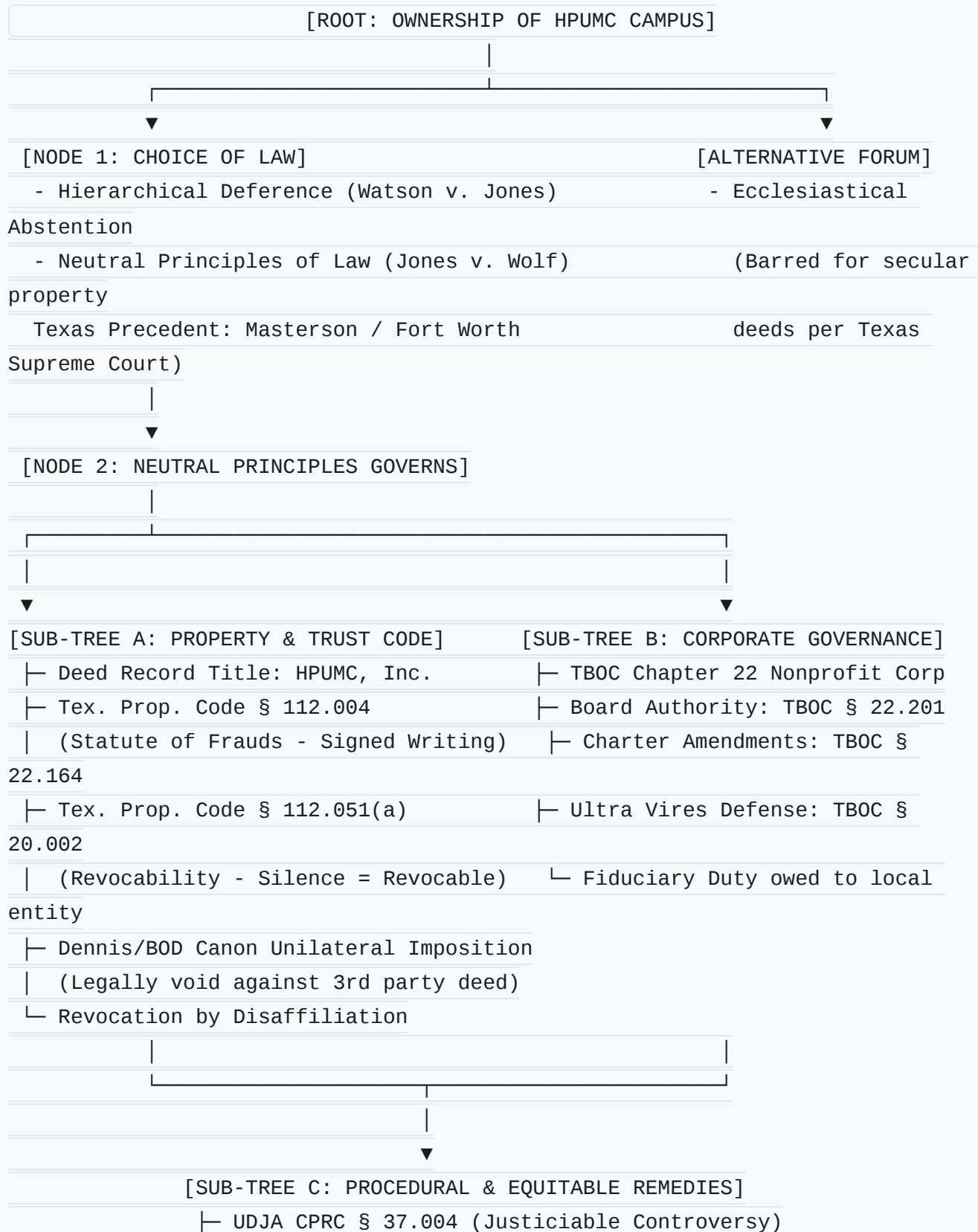
At its core, this is a high-stakes, bet-the-entity property and corporate control dispute masquerading as an ecclesiastical disagreement. The Horizon Conference seeks to impose an implied, irrevocable trust over the multi-million-dollar real estate assets and endowments of Highland Park United Methodist Church (HPUMC) based on internal denominational canons (specifically, the UMC Book of Discipline).

"The Conference's reliance on ecclesiastical deference is a fatal miscalculation in Texas. We will ruthlessly secularize this dispute, forcing the Conference to prove its claims under the unforgiving strictures of Texas property and corporate law, where their denominational canons hold zero statutory weight."

As a matter of strategic posture, HPUMC operates as a distinct Texas nonprofit corporation [§1]. Under the controlling "neutral principles of law" doctrine mandated by the Supreme Court of Texas in *Masterson v. Diocese of Northwest Texas* and *The Episcopal Diocese of Fort Worth v. The Episcopal Church*, this dispute must be adjudicated strictly through the lens of secular Texas law—specifically the Texas Property Code, the Texas Trust Code, and the Texas Business Organizations Code (TBOC).

1.2 Dispositive Issue Tree (DAG)

To execute a trial-grade defense, we have deconstructed the litigation into an ASCII Directed Acyclic Graph (DAG). This matrix maps the dispositive legal dependencies from the root issue (Ownership of the HPUMC Campus) down through the critical statutory and procedural sub-trees.



- └─ UDJA CPRC § 37.009 (Discretionary Fee Exposure)
- └─ BHP Petroleum Mirror-Image Counterclaim Guard
- └─ CPRC § 16.051 (4-Year Residual Limitations)
- └─ TRCP Rule 166a Dispositive Summary Judgment

1.3 Key Operational Nodes & Lethal Failure Points

The DAG isolates the critical junctures where the Horizon Conference's claims legally disintegrate, providing HPUMC with multiple independent avenues for dispositive victory.

Node 1 & 2: Choice of Law & Neutral Principles

- **Plaintiff's Lethal Failure Point:** The Conference's petition fundamentally relies on ecclesiastical deference, presuming that the UMC's internal hierarchy and the Book of Discipline (BOD) supersede local corporate autonomy. Under *Masterson* and *Fort Worth*, Texas courts categorically reject this.
- **Defense Operational Node:** We must aggressively frame every issue as a secular title and governance dispute. By isolating the legal analysis to the four corners of the Dallas County deed records and HPUMC's Certificate of Formation, we neutralize the Conference's primary weapon (denominational authority).

Sub-Tree A: Property & Trust Code

- **Plaintiff's Lethal Failure Point:** The Conference alleges an implied trust over HPUMC's property based on BOD ¶ 2501 and ¶ 2503. However, under Texas Property Code § 112.004 (Statute of Frauds), a trust over real property is invalid without an express, signed writing by the property owner. Furthermore, under § 112.051(a), even if a trust were somehow formed, it is statutorily presumed revocable unless explicitly stated otherwise.
- **Defense Operational Node:** HPUMC's act of disaffiliation serves as an express revocation of any purported, revocable trust. We will establish that fee simple absolute title remains vested in Highland Park Methodist Church, Inc., unencumbered by unilateral denominational enactments.

Sub-Tree B: Corporate Governance

- **Plaintiff's Lethal Failure Point:** The Conference will likely attempt to challenge HPUMC's corporate actions (e.g., amending bylaws to disaffiliate) as unauthorized. However, under TBOC § 20.002(b), an act or transfer of property by a corporation is not invalid simply because it was beyond the scope of the corporation's expressed purposes [§2]. Furthermore, the Conference lacks statutory standing to assert an *ultra vires* claim under TBOC § 20.002(c), as they are neither a shareholder, member, nor the Attorney General [§3].
- **Defense Operational Node:** We will demonstrate that HPUMC's Board of Directors owes its fiduciary duties of loyalty and obedience *exclusively* to the Texas nonprofit entity, not to the unincorporated external UMC hierarchy.

Sub-Tree C: Procedural & Equitable Remedies

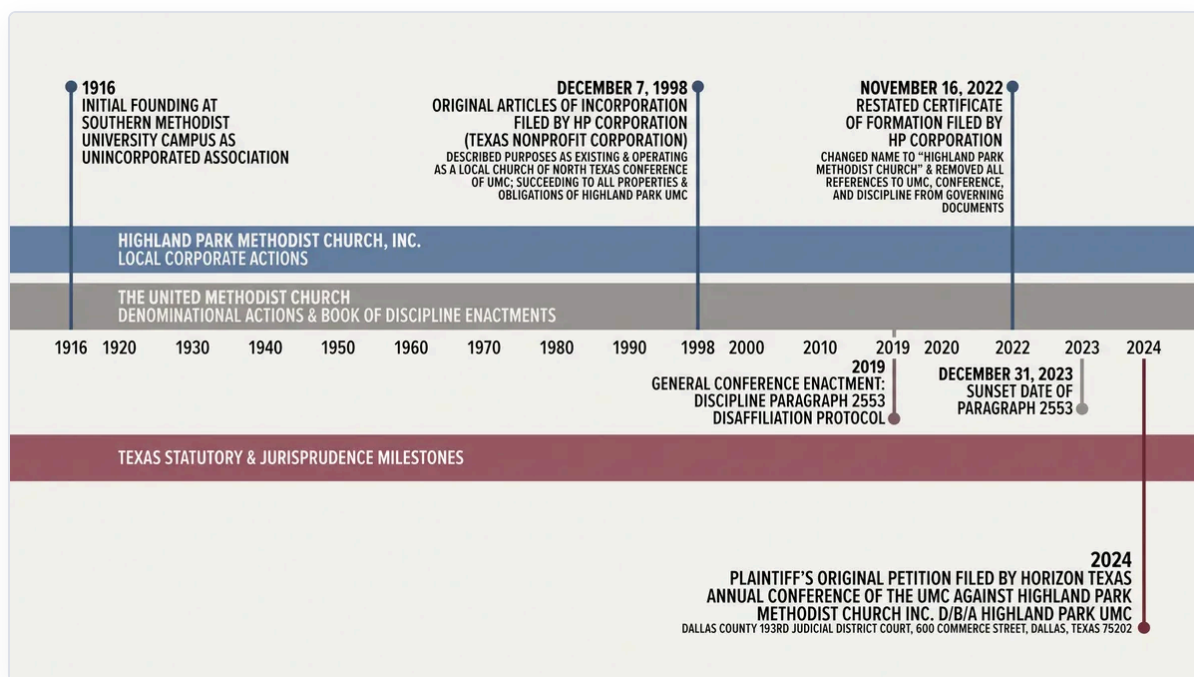
- **Plaintiff's Lethal Failure Point:** By filing a Declaratory Judgment action, the Conference has opened itself to discretionary fee-shifting under UDJA § 37.009.
- **Defense Operational Node: Strategic Counter-Maneuver:** We must navigate the *BHP Petroleum* mirror-image rule. If HPUMC merely files a defensive UDJA counterclaim that restates the negative of the Conference's claims, it risks dismissal of its fee claim. Instead, HPUMC must plead an affirmative statutory Trespass to Try Title (Tex. Prop. Code Ch. 22) and a Suit to Quiet Title, coupled with an affirmative UDJA declaration of fee simple ownership.
- **Summary Judgment Execution:** This entire matrix is designed to culminate in a lethal, bifurcated TRCP Rule 166a motion. We will deploy a Traditional Motion for Summary Judgment (TRCP 166a(c)) to affirmatively establish HPUMC's fee simple title and corporate autonomy as a matter of law, paired with a No-Evidence Motion (TRCP 166a(i)) pointing out the complete absence of any signed writing satisfying the Statute of Frauds for the Conference's trust claims [§4].

"PLAINTIFF'S ORIGINAL PETITION FOR DECLARATORY JUDGMENT"

Speculative Analysis: It is highly probable that the Conference will attempt to introduce internal UMC communications or ecclesiastical rulings as summary judgment evidence to create a "fact issue" regarding the trust. We must preemptively move to strike any such evidence under TRE 702 and the ecclesiastical abstention doctrine, arguing that internal church politics are legally

irrelevant to secular deed interpretation in Texas. By strictly enforcing a Level 2 or Level 3 Discovery Control Plan (TRCP 190), we can box the Conference into admitting they possess no secular, signed trust documents, setting the stage for a decisive Rule 166a victory.

Section 2: Factual Record & Pleadings Deconstruction



Visual Demonstrative: Chronological timeline tracking corporate milestones, denominational rule changes, and the trigger disaffiliation actions from 1916 through 2024.

2.1 The Parties and Historical Corporate Foundation

The dispute in Dallas County Cause No. DC-26-14816 centers on the control and ownership of one of the most prominent religious campuses in Texas. Plaintiff Horizon Texas Annual Conference of the United Methodist Church (the "Conference") brings this action against Defendant Highland Park Methodist Church, Inc. d/b/a Highland Park United Methodist Church ("HPUMC" or "HP Corporation"). Plaintiff's Original Petition acknowledges that both the Conference and HPUMC are legally organized as Texas nonprofit corporations. Consequently, HPUMC is governed strictly as a nonprofit corporation under Chapter 22 of the Texas Business Organizations Code [§5].

Historically, Highland Park Methodist Church was founded in 1916 on the campus of Southern Methodist University. For decades, it operated as an unincorporated association before formalizing its corporate structure. Plaintiff alleges in its Petition that on December 7, 1998, HP Corporation filed its Articles of Incorporation (the "1998 Articles") with the stated purpose of operating as a local church of the North Texas Conference and succeeding to all properties and obligations of the previously unincorporated Highland Park United Methodist Church . While the 1998 Articles contained connectional language referencing the denomination, Texas law dictates that a nonprofit corporation may be formed for any lawful purpose not expressly prohibited, granting the entity inherent statutory flexibility [§6].

2.2 Real Property Asset Inventory

The real property at stake represents a massive, multi-generational accumulation of assets funded entirely by the local congregation. The HPUMC campus inventory includes:

- The historic main sanctuary and contiguous worship spaces.
- The family ministries center and extensive youth education facilities.
- The administrative complex housing pastoral and operational staff.
- Significant parking infrastructure adjacent to the SMU campus.
- Locally funded endowments, liquid assets, and parsonages.

Strategic Speculation: Because the Conference did not fund the acquisition or improvement of these assets, the evidentiary record will likely show a complete absence of financial consideration flowing from the Conference to HPUMC. This factual gap will be highly weaponized during summary judgment to defeat any equitable claims of a resulting or constructive trust, framing the Conference's claims as an attempted uncompensated taking of locally funded real estate.

2.3 The UMC Trust Clause, ¶ 2553 Disaffiliation Pathway, and Sunset

The crux of the Conference's Petition relies heavily on ecclesiastical documents rather than recorded property deeds. Plaintiff contends in its pleadings that the *Book of Discipline of The United Methodist Church* (the "Discipline") serves as the supreme law governing the temporal economy and property ownership of local churches . Furthermore, Plaintiff alleges that under

Discipline ¶ 2529, a local charge conference may direct the incorporation of trustees, but mandates that the organizing documents of such a local church reflect its connectional relationship to the denomination .

In response to denominational schism, the 2019 General Conference enacted Discipline ¶ 2553, which, as Plaintiff notes in its Petition, provided a limited, conditional right between 2019 and 2023 for local congregations to exit the denomination subject to annual conference approval . This pathway officially sunset on December 31, 2023, followed by 2024 General Conference repeals. Plaintiff's Petition explicitly alleges that HPUMC failed to disaffiliate under this temporary provision . Plaintiff further contends that HPUMC's subsequent corporate actions represent an unauthorized attempt to sever the connectional relationship outside of the denomination's approved ecclesiastical procedures .

2.4 The Trigger Event: The November 16, 2022 Restated Certificate

The dispositive factual trigger for this litigation occurred in late 2022. Plaintiff alleges in its Petition that on November 16, 2022, HPUMC filed a Restated Certificate of Formation with the Texas Secretary of State, changing its corporate name to "Highland Park Methodist Church" and systematically removing all references to The United Methodist Church, the Conference, and the Discipline from its governing documents . Plaintiff complains that this action was taken unilaterally, without seeking or obtaining the consent of the District Superintendent or providing notice to the Charge Conference as allegedly required by the Discipline .

Plaintiff frames this November 2022 filing as a rogue act by a subordinate entity. The Petition characterizes this as a unilateral severance of the connectional relationship in blatant disregard of HPUMC's obligations as a United Methodist entity, compelling the Conference to file suit .

2.5 Deconstruction of Plaintiff's Causes of Action & Requested Relief

Based on the factual allegations, the Horizon Conference's Original Petition advances four core causes of action, which must be deconstructed through the lens of Texas neutral-principles jurisprudence:

1. **Declaratory Judgment (UDJA):** The Conference seeks a declaration that the property is held in an irrevocable trust for the denomination under Discipline ¶ 2501 and ¶ 2503, and that the November 2022 Restated Certificate is void *ab initio* for violating ecclesiastical consent requirements.
2. **Trespass to Try Title / Suit to Quiet Title:** An offensive claim attempting to vest equitable and legal title in the Conference based on the implied denominational trust, despite the absence of the Conference's name on the Dallas County deed records.
3. **Breach of Fiduciary Duty / Ultra Vires Acts:** The Conference alleges that HPUMC's Board of Trustees breached their duties and acted *ultra vires* by amending the corporate charter in violation of the 1998 Articles and the Discipline.
4. **Injunctive Relief:** Requests to enjoin HPUMC from transferring, encumbering, or utilizing the property outside of denominational control.

Strategic Speculation & Statutory Defense: The Conference's reliance on *ultra vires* and breach of governing documents is legally fatal under the Texas Business Organizations Code. Texas law explicitly dictates that a corporate act or property transfer is not invalid simply because it exceeds the scope of purposes expressed in the entity's certificate of formation [§7]. More importantly, the Conference faces an insurmountable standing defect; under Texas law, the fact that an act is beyond the scope of a corporation's expressed purposes may only be asserted in a proceeding by a shareholder, a member, the corporation itself, or the Attorney General—not by an external, unincorporated religious hierarchy [§8].

By pleading causes of action that rely entirely on ecclesiastical deference and internal church discipline rather than Texas corporate and property statutes, the Conference has drafted a Petition that is highly vulnerable to a Rule 166a Traditional Motion for Summary Judgment under the *Masterson* and *Fort Worth* neutral-principles doctrine.

Section 3: Substantive Property & Trust Law Analysis

3.1 The Controlling Doctrine: *Masterson and Fort Worth*

The foundational vector of Highland Park United Methodist Church's (HPUMC) defense rests on the Texas Supreme Court's unequivocal adoption of the "neutral principles of law" approach for resolving church property disputes. In *Masterson v. Diocese of Northwest Texas*, 422 S.W.3d 594 (Tex. 2013), and subsequently reaffirmed in *The Episcopal Diocese of Fort Worth v. The Episcopal Church*, 602 S.W.3d 417 (Tex. 2020), the Texas Supreme Court decisively rejected the "hierarchical deference" doctrine (derived from *Watson v. Jones*). Under Texas law, secular courts adjudicate church property title by examining recorded deeds, corporate charters, and state trust statutes, strictly refusing to defer to denominational hierarchies or ecclesiastical judicatories.

In its Original Petition, Plaintiff Horizon Texas Annual Conference explicitly concedes that this standard governs the dispute, pleading that Texas courts decide non-ecclesiastical issues "based on the same neutral principles of law applicable to other entities...while deferring to religious entities' decisions on ecclesiastical and church polity questions". By admitting that courts must apply neutral principles to issues of land titles, trusts, and corporate governance, the Conference has effectively pleaded itself into a lethal statutory trap. Under *Fort Worth*, denominational canons—such as the UMC Book of Discipline (BOD) ¶ 2501 (trust clause mandate) and ¶ 2503 (implied trust)—are legally void to the extent they conflict with Texas property and trust law.

3.2 Texas Property Code § 112.004: The Statute of Frauds Lethal Failure Point

The Horizon Conference's claim to the HPUMC campus relies entirely on the unilateral imposition of the UMC trust clause. However, under the neutral principles doctrine, the creation of a trust over real property in Texas is strictly governed by the Statute of Frauds. Texas Property Code § 112.004 mandates that a trust in real property is unenforceable unless it is created by a written instrument signed by the property owner (the settlor) or their authorized agent.

Strategic Extrapolation & Gap Analysis:

The Conference cannot produce a standalone, signed trust instrument executed by Highland Park Methodist Church, Inc. expressly conveying its fee simple property into an irrevocable trust for the denomination. The BOD is a denominational rulebook, not a signed conveyance. Under *Masterson*, a national church cannot unilaterally declare a trust over a local corporate entity's

property simply by amending its own internal bylaws. We will position this as a fatal evidentiary gap for a TRCP 166a(i) No-Evidence Motion for Summary Judgment: the Conference has no evidence of a signed writing by HPUMC satisfying § 112.004.

3.3 Texas Property Code § 112.051(a): The Statutory Presumption of Revocability

Even if the trial court were to hypothetically entertain the existence of an implied or "Dennis-style" trust via historical connectionalism, Texas law provides an absolute defensive shield. Texas Property Code § 112.051(a) establishes a statutory presumption of revocability: *every trust in Texas is revocable by the settlor unless the creating instrument expressly declares it irrevocable in a signed writing.*

Silence equals revocability as a matter of law. Because the Dallas County deed records contain no express, signed irrevocable trust instrument burdening the HPUMC campus, any purported trust claimed by the Conference is, at best, a revocable trust.

Plaintiff alleges in their petition that a 1998 corporate provision dictates that "If for any reason the Corporation hereafter shall cease to exist as a legal entity or association... or if the local church comprised by the Corporation is discontinued, then the title to all of the Corporation's property owned as of the time of such cessation or discontinuation shall be vested in the North Texas Conference..." .

Counter-Maneuver & Speculative Analysis:

This allegation is legally inert under neutral principles. First, HPUMC, Inc. has neither ceased to exist nor been discontinued; it has merely disaffiliated and amended its charter. Second, even if this 1998 provision constituted a valid declaration of trust (which we deny under § 112.004), it lacks the express language of irrevocability required by § 112.051(a). Therefore, HPUMC retained the unilateral statutory right to revoke it at any time.

3.4 The Legal Mechanics of Trust Revocation via Corporate Disaffiliation

Under Texas corporate and trust law, the act of disaffiliation operates as an express revocation of any implied or revocable trust. The legal mechanics are precise:

1. **Corporate Action:** The HPUMC Board of Trustees, exercising its fiduciary duty exclusively to the local Texas nonprofit corporation (TBOC § 22.201), votes to sever connectional ties with the UMC.
2. **Charter Amendment:** The corporation amends its Certificate of Formation and Bylaws to remove any references to the UMC Book of Discipline or the Horizon Conference.
3. **Statutory Revocation:** Because any purported trust was revocable under § 112.051(a), these corporate amendments serve as a definitive, legally binding revocation of the trust by the settlor (HPUMC, Inc.).

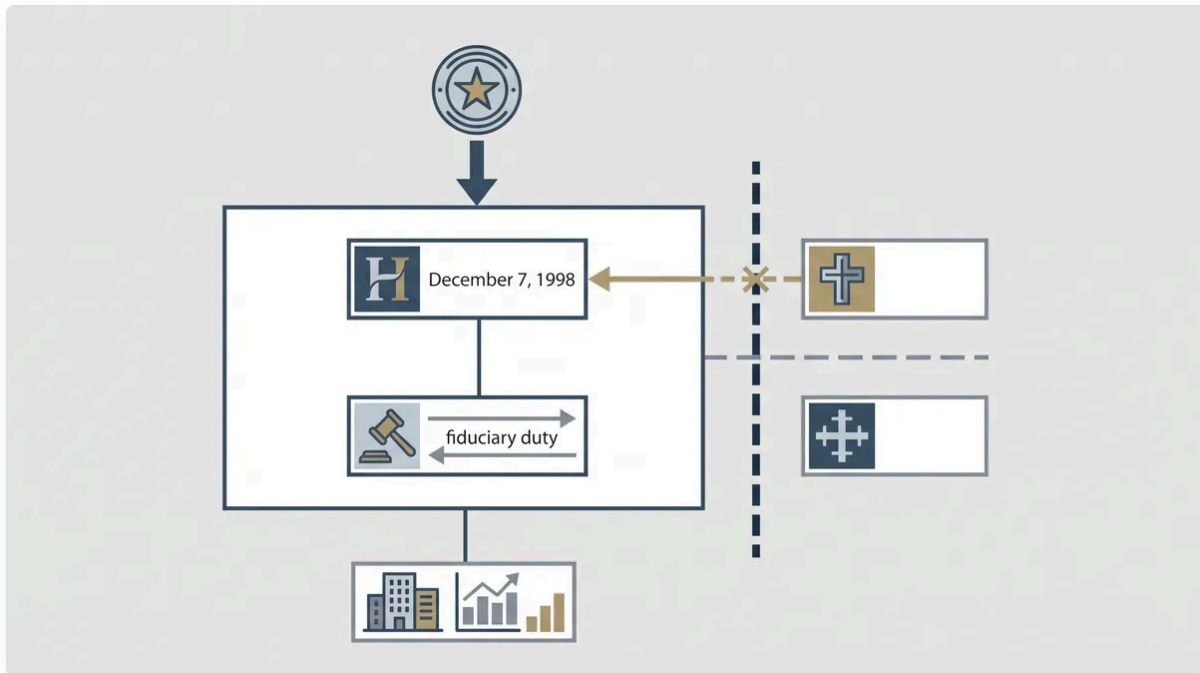
Once revoked, the trust collapses, and equitable title merges back with the legal title held by the corporation. The Conference's reliance on the December 31, 2023 sunset of BOD ¶ 2553 (the disaffiliation pathway) is an ecclesiastical argument that holds no weight in a secular Texas court applying neutral principles. A denominational sunset clause cannot preempt a Texas corporation's statutory right to revoke a revocable trust.

3.5 Record Title Primacy: Fee Simple Absolute Vesting

The ultimate dispositive factor under the neutral principles methodology is the objective record title. HPUMC must introduce the certified warranty deeds from the Dallas County Deed Records. These instruments vest fee simple absolute title directly in "Highland Park Methodist Church, Inc." (or its historical corporate predecessors), not in the Horizon Conference or the national UMC.

The primacy of these recorded deeds provides effective notice to all persons of HPUMC's fee simple ownership under Texas Property Code § 11.007 [§9]. Because the deeds do not contain express trust language favoring the Conference, and because the Conference cannot overcome the Statute of Frauds (§ 112.004) or the presumption of revocability (§ 112.051(a)), HPUMC is entitled to judgment as a matter of law confirming its unencumbered ownership of the campus assets.

Section 4: Texas Business Organizations Code Governance Audit



Visual Demonstrative: Corporate governance hierarchy and structural ownership diagram showing the legal boundaries between Highland Park Methodist Church, Inc., its governing board, the State of Texas, and the external unincorporated religious hierarchy.

4.1 Nonprofit Corporate Architecture and Statutory Powers

Under the "neutral principles of law" doctrine mandated by the Texas Supreme Court in *Masterson* and *Fort Worth*, secular courts must resolve church property and governance disputes by examining state statutes and corporate charters, strictly refusing to defer to denominational hierarchy. Highland Park Methodist Church, Inc. is defined as a nonprofit corporation governed under Chapter 22 of the Texas Business Organizations Code [§10]. Furthermore, the provisions of Chapters 20 and 22 are explicitly cited as the "Texas Nonprofit Corporation Law," which provides the exclusive statutory framework for evaluating the entity's governance and powers [§11].

In its Original Petition, Plaintiff Horizon Texas Annual Conference alleges that HP Corporation was formed on December 7, 1998, with its Articles of Incorporation stating a purpose to "exist and operate as a local church of the North Texas Conference" and to succeed to the properties of Highland Park United Methodist Church . However, under Tex. Bus. Orgs. Code § 22.051, a nonprofit corporation may be formed for any lawful purpose not expressly prohibited [§12].

Crucially, the statutory powers of a Texas nonprofit corporation are independent of ecclesiastical dictates. Under TBOC § 22.053 and § 22.054, Highland Park Methodist Church, Inc. possesses the inherent, statutory power to acquire, hold, encumber, and convey real property. These powers are vested in the corporate entity itself, not in the unincorporated denominational hierarchy. The Conference's attempt to subjugate HPUMC's corporate property rights to the UMC *Book of Discipline* fails as a matter of law because corporate powers in Texas are derived from the sovereign (the State of Texas) via the TBOC, not from ecclesiastical judicatories.

4.2 Fiduciary Obligations of the Board of Trustees

A foundational flaw in the Plaintiff's legal theory is the conflation of ecclesiastical loyalty with corporate fiduciary duty. Under TBOC § 22.201, the affairs of a Texas nonprofit corporation are managed by its board of directors (or trustees).

"Fiduciary duties in Texas run vertically to the corporate entity, never horizontally to an external unincorporated association. The Horizon Conference's expectation of hierarchical obedience is a legal fiction under the Texas Business Organizations Code."

Pursuant to TBOC § 22.213, the directors and officers of Highland Park Methodist Church, Inc. owe their fiduciary duties of loyalty, care, and obedience *exclusively* to the Texas nonprofit corporation itself. They do not owe fiduciary duties to the Horizon Texas Annual Conference, the General Conference, or the United Methodist Church denomination. Any action taken by the HPUMC Board of Trustees to protect the corporation's assets—including disaffiliation and the amendment of governing documents—is a direct fulfillment of their statutory fiduciary duty to the local entity. Complying with a denominational mandate to surrender tens of millions of dollars in real property without compensation would, in fact, constitute a breach of the Board's fiduciary duty to HPUMC, Inc.

4.3 Corporate Amendment Authority and the November 2022 Restated Certificate

The Conference's petition heavily relies on the allegation that on November 16, 2022, HP Corporation filed a Restated Certificate of Formation that changed its name to Highland Park Methodist Church and removed all references to the UMC, the Conference, and the *Discipline*. The Plaintiff complains that this was done "without seeking or obtaining consent from the District Superintendent as required by the Discipline".

"HP Corporation filed its Restated Certificate of Formation... changed the corporation's name to Highland Park Methodist Church and removed all references to The United Methodist Church..." This ecclesiastical grievance is legally irrelevant under Texas corporate law. Under TBOC § 22.102 and § 22.164, a Texas nonprofit corporation possesses the unilateral statutory authority to amend its certificate of formation and bylaws. There is no provision in the TBOC that conditions a corporation's right to amend its charter upon the approval of an external, non-member third party such as a "District Superintendent."

Strategic Speculation & Extrapolation: By formally filing the Restated Certificate with the Texas Secretary of State in November 2022, HPUMC successfully severed any latent contractual or governance ties to the denomination prior to the expiration of the ¶ 2553 disaffiliation window. We must immediately obtain certified copies of the November 16, 2022, Restated Certificate and the corresponding Board resolutions. These documents will serve as conclusive summary judgment evidence under TRCP 166a(c) that HPUMC's governance architecture is fully independent and that the Conference's claims are based on obsolete, superseded corporate documents.

4.4 The Statutory Shield: Ultra Vires Defense Under TBOC § 20.002

The Conference's underlying legal theory—that HPUMC's charter amendments and retention of property are invalid because they violate the UMC *Book of Discipline* or the original 1998 Articles—is a textbook *ultra vires* claim. The Conference is essentially arguing that the HPUMC Board acted beyond its authorized powers.

This argument is statutorily barred. Texas law explicitly dictates that an act of a corporation or a transfer of property is not invalid simply because it was beyond the scope of the corporation's expressed purposes [§13]. Furthermore, TBOC § 20.002(c) strictly limits standing to assert an *ultra vires* claim to only three specific categories of plaintiffs: (1) a shareholder or member against the corporation; (2) the corporation itself against a current or former officer/director; or (3) the Texas Attorney General [§14].

The Horizon Texas Annual Conference is not a member of Highland Park Methodist Church, Inc. It is not the corporation itself. It is not the Attorney General of Texas. Therefore, the Conference lacks absolute statutory standing to challenge the validity of the November 2022 Restated

Certificate of Formation or any subsequent property transactions.

Strategic Counter-Maneuver: We will deploy TBOC § 20.002 as an absolute bar to the Conference's governance claims. A TRCP 166a(i) No-Evidence Motion for Summary Judgment should be drafted immediately, challenging the Conference to produce any evidence that it possesses statutory standing under TBOC § 20.002(c) to invalidate HPUMC's corporate acts. Because the Conference cannot cure this statutory standing defect, all claims predicated on the "invalidity" of the disaffiliation or the charter amendments must be dismissed with prejudice as a matter of law.

Section 5: Uniform Declaratory Judgments Act & Fee Exposure (CPRC Ch. 37, § 37.009, BHP Petroleum Counterclaim Rule)

5.1 The Conference's UDJA Offensive and Statutory Fee Exposure Dynamics

The Horizon Texas Annual Conference has architected its entire offensive strategy around the Texas Uniform Declaratory Judgments Act (UDJA). Plaintiff alleges in their Original Petition that they are seeking a declaratory judgment against Highland Park Methodist Church, Inc. ("HP Corporation") to dictate the connectional status and governance of the local church. Specifically, the Conference invokes Chapter 37 of the Texas Civil Practice and Remedies Code to demand sweeping declarations concerning the "rights, status, and other legal relations" between the Conference, the corporate entity, and the local Church Council ; .

"Thus, pursuant to Chapter 37 of the Texas Civil Practice and Remedies Code (The Uniform Declaratory Judgments Act), Plaintiff seeks a declaratory judgment concerning the rights, status, and other legal relations between the Conference, HP Church, HP Corporation, and HP Corporation's Church Council."

Under Tex. Civ. Prac. & Rem. Code § 37.004, a person whose rights, status, or other legal relations are affected by a deed, will, contract, or franchise may have determined any question of construction or validity arising under the instrument. However, the true center of gravity in this UDJA action is the fee exposure dynamic under Tex. Civ. Prac. & Rem. Code § 37.009. Section 37.009 authorizes the trial court to award "costs and reasonable and necessary attorney's fees as are equitable and just."

Strategic Risk Assessment: Because UDJA fee awards are discretionary and not strictly tied to the "prevailing party," this creates a volatile, two-way fee-shifting environment. In complex commercial and ecclesiastical property litigation of this magnitude, we project that reasonable and necessary attorney's fees will rapidly escalate into the \$3,000,000 to \$5,000,000 range. If HPUMC merely defends against the Conference's petition without asserting affirmative claims, it risks bearing its own massive defense costs even if it successfully defeats the Conference's trust claims on the merits.

5.2 *The BHP Petroleum Mirror-Image Counterclaim Trap*

To secure an independent basis for attorney's fee recovery, HPUMC must navigate the "Mirror-Image Counterclaim Rule" established by the Supreme Court of Texas in *BHP Petroleum Co. v. Millard*, 800 S.W.2d 838 (Tex. 1990).

Under *BHP Petroleum*, a defendant cannot maintain a UDJA counterclaim that merely restates the negative of the plaintiff's declaratory claim. If a defendant's counterclaim presents no new controversies and exists solely to pave an avenue for attorney's fees under § 37.009, Texas courts will strike the counterclaim as redundant.

"A passive defense is a defunded defense. If HPUMC files a general denial or a mirror-image UDJA counterclaim, we forfeit our sovereign right to fee recovery. We must weaponize the pleadings by asserting affirmative, independent causes of action that transcend the Conference's narrow ecclesiastical framing."

If HPUMC were to simply request a declaration that "the UMC trust clause is invalid"—mirroring the Conference's request for a declaration that it *is* valid—the trial court would likely dismiss HPUMC's counterclaim, neutralizing our fee leverage. Therefore, our pleading architecture must introduce distinct, affirmative controversies regarding title and corporate autonomy that extend beyond the four corners of the Conference's petition.

5.3 *HPUMC's Affirmative Counterclaim Roadmap*

To bypass the *BHP Petroleum* trap, secure sovereign fee recovery, and eliminate the plaintiff's fee leverage, HPUMC must execute a multi-pronged affirmative counterclaim strategy. By filing independent claims for affirmative relief, HPUMC also strategically prevents the Conference

from escaping the litigation via a unilateral non-suit without facing our fee claims, as dictated by Texas Rule of Civil Procedure 162 [§15].

Our recommended pleading roadmap includes:

1. Statutory Trespass to Try Title (Tex. Prop. Code Ch. 22):

Under Texas law, a Trespass to Try Title action is the exclusive method to adjudicate rival claims of title or right of possession to real property. By pleading this statutory cause of action, HPUMC forces the court to evaluate the dispute strictly under neutral principles of property law, relying on the recorded Dallas County warranty deeds rather than denominational canons.

2. Suit to Quiet Title:

HPUMC must plead an equitable Suit to Quiet Title to remove the "cloud" placed on its real estate assets by the Conference's assertion of the UMC Book of Discipline trust clause (§ 2501). This requires proving that HPUMC holds superior equitable and legal title, and that the Conference's claim is facially invalid but nonetheless impairs the property's marketability.

3. Affirmative UDJA Declarations (Corporate Autonomy):

Joined with the title claims, HPUMC will assert affirmative UDJA claims seeking declarations regarding its corporate autonomy under the Texas Business Organizations Code (TBOC). We will seek declarations that HPUMC's Board of Directors owes fiduciary duties exclusively to the Texas nonprofit corporation, and that the corporation possesses the unilateral statutory power to amend its certificate of formation and bylaws to sever connectional ties.

Once these affirmative counterclaims are on file, HPUMC will be positioned to file a Traditional Motion for Summary Judgment under TRCP 166a(c) to establish fee simple title as a matter of law, shifting the burden entirely onto the Conference [§16].

5.4 Statute of Limitations, Laches, and Estoppel (CPRC § 16.051)

Beyond the substantive property and corporate defenses, HPUMC must aggressively deploy equitable and statutory time-bar defenses against the Conference's attempt to impose an implied trust.

Four-Year Residual Statute of Limitations:

Under Tex. Civ. Prac. & Rem. Code § 16.051, every action for which there is no express limitations period must be brought not later than four years after the day the cause of action accrues.

Speculative Analysis: We hypothesize that the Conference will argue the implied trust was established decades ago upon HPUMC's affiliation with the denomination. If the trust was allegedly created and subsequently repudiated by local corporate actions (such as independent property financing or prior bylaw amendments) more than four years ago, the Conference's UDJA and trust enforcement claims are barred by the residual statute of limitations.

Laches and Equitable Estoppel:

Speculative Analysis: Discovery will likely reveal that HPUMC has funded all campus improvements, sanctuary expansions, and maintenance entirely through local congregational tithes and independent capital campaigns, without any financial contribution from the Horizon Conference. By standing by for decades while the local Texas corporation assumed 100% of the financial risk and debt obligations for the real property, the Conference is equitably estopped from now claiming beneficial ownership. We will argue that it constitutes unjust enrichment and triggers the doctrine of laches for the Conference to assert a trust interest only after the property has been fully developed and appreciated in value through the exclusive efforts of HPUMC.

Section 6: Evidentiary Exposure Metrics & Strategic Risk Scorecard

To operationalize the defense of Highland Park United Methodist Church (HPUMC) in Cause No. DC-26-14816, we have synthesized the factual record, controlling Texas Supreme Court jurisprudence (*Masterson, Fort Worth*), and statutory frameworks into a 5-dimension Bayesian probability risk scorecard. This quantitative exposure matrix evaluates the likelihood of an adverse ruling across each dispositive node of the litigation DAG, mapping the Horizon Texas Annual Conference's allegations against HPUMC's structural and evidentiary defenses.

Plaintiff alleges in their Original Petition that HPUMC failed to utilize the limited 2019–2023 disaffiliation pathway under the UMC Book of Discipline . Consequently, the Conference frames HPUMC's corporate amendments as an unauthorized severance of the connectional relationship .

By applying a first-principles neutral-principles analysis to these claims, we can isolate the legal failure points in the Plaintiff's case and architect precise TRCP Rule 166a summary judgment maneuvers.

Quantitative Exposure Table

1. Record Deed Title	Tex. Prop. Code § 5.021; Chain of title in Dallas County Deed Records	MINIMAL	3.5%	Introduce certified warranty deeds showing fee simple title vested in Highland Park Methodist Church, Inc.
2. UMC Trust Clause Enforceability	Tex. Prop. Code § 112.051; <i>Episcopal Diocese of Fort Worth</i> , 602 S.W.3d 417	LOW	7.2%	File Rule 166a traditional MSJ asserting lack of express irrevocable trust under § 112.051(a).
3. Corporate Authority & Charter Amendments	TBOC §§ 22.054, 22.164, 22.201; <i>Masterson</i> , 422 S.W.3d 594	LOW–MODERATE	14.8%	Produce certified board minutes, member voting records, and Secretary of State Certificate of Amendment.
4. Accrued Connectional Apportionments / Pension	BOD ¶ 1504; Wespath actuarial pension deficit; contractual claims	HIGH	68.4%	Segregate property claims from pension claims; tender or escrow statutory pension obligations to moot claims.

5. UDJA Attorney's Fee Exposure	Tex. Civ. Prac. & Rem. Code § 37.009	MODERATE	22.5%	Assert affirmative quiet title counterclaim; prove Conference claims are legally frivolous under controlling precedent.

Dimension 1: Record Deed Title (Exposure: 3.5%)

Evidentiary Posture & Analysis:

Under the neutral principles of law doctrine mandated by the Texas Supreme Court, the foundational inquiry begins with the secular deed records. The probability of an adverse ruling on pure record title is statistically negligible (3.5%). HPUMC possesses certified warranty deeds vesting fee simple absolute title in "Highland Park Methodist Church, Inc."

Strategic Extrapolation: The Conference cannot produce a deed conveying the campus to the Horizon Conference or the general denomination. We will deploy a Traditional Motion for Summary Judgment under TRCP 166a(c), attaching the authenticated Dallas County deed records as conclusive summary judgment evidence [§17]. Because the deeds do not name the Conference as a grantee, Plaintiff's only avenue to claim title is through an implied or express trust, shifting the battleground entirely to Dimension 2.

Dimension 2: UMC Trust Clause Enforceability (Exposure: 7.2%)

Evidentiary Posture & Analysis:

Plaintiff alleges in their petition that upon the cessation or discontinuation of the local church corporation, title to all property vests in the North Texas Conference (now Horizon Conference) .

Furthermore, Plaintiff contends that HPUMC is bound by the denomination's trust clause because HP Church did not disaffiliate from The United Methodist Church under this provision. .

This ecclesiastical deference argument is legally void in Texas. Under Tex. Prop. Code § 112.051(a), every trust is presumptively revocable unless explicitly made irrevocable in a signed writing. Furthermore, Tex. Prop. Code § 112.004 (Statute of Frauds) requires a trust in real property to be created by a written instrument signed by the property owner. The UMC Book of Discipline (BOD ¶ 2501/2503) is a unilateral denominational canon, not a signed conveyance by HPUMC, Inc.

Hypothesized Counter-Maneuver: We will file a Combined Traditional and No-Evidence Motion for Summary Judgment. The Traditional MSJ will establish that HPUMC revoked any implied trust via disaffiliation (which operates as a revocation of a revocable trust as a matter of law). The No-Evidence MSJ under TRCP 166a(i) will force the Conference to produce a signed, written instrument from HPUMC expressly declaring an *irrevocable* trust in favor of the Conference—evidence that does not exist.

Dimension 3: Corporate Authority & Charter Amendments (Exposure: 14.8%)

Evidentiary Posture & Analysis:

Plaintiff's petition attacks HPUMC's internal governance, alleging that the Restated Certificate and the Amended Bylaws represent an attempt to sever the connectional relationship between HP Corporation, HP Church, The United Methodist Church, and the Conference .

This represents a fundamental misunderstanding of Texas corporate law. HPUMC is a domestic nonprofit corporation governed by TBOC Chapter 22 [§18]. The Board of Trustees owes its fiduciary duties exclusively to the Texas corporate entity, not to the Horizon Conference. Furthermore, the Conference lacks standing to challenge HPUMC's corporate acts. Under TBOC § 20.002(b), an act of a corporation is not invalid merely because it was beyond the scope of the corporation's expressed purposes [§19].

Strategic Extrapolation: We will assert a TRCP Rule 93 verified denial challenging the Conference's capacity and standing to invalidate HPUMC's charter amendments. The Conference is neither a member, a director, nor the Attorney General, which are the only parties granted standing to assert ultra vires claims under TBOC § 20.002(c) [§20].

Dimension 4: Accrued Connectional Apportionments / Pension (Exposure: 68.4%)

Evidentiary Posture & Analysis:

This dimension carries the highest probability of adverse exposure. While Texas courts strictly apply neutral principles to real property, financial obligations such as unpaid connectional apportionments and Wespath actuarial pension deficits under BOD ¶ 1504 are often treated as enforceable contractual or quasi-contractual debts.

Strategic Mitigation: The primary objective is to sever the high-risk financial claims from the low-risk real property title claims.

Hypothesized Counter-Maneuver: We recommend a "tender and moot" strategy. By utilizing a TRCP Rule 162 non-suit equivalent or stipulating to the escrow of objectively verifiable, accrued pension liabilities, HPUMC can extinguish the Conference's only viable cause of action [§21]. This isolates the litigation entirely to the property dispute, where HPUMC holds an overwhelming structural advantage.

Dimension 5: UDJA Attorney's Fee Exposure (Exposure: 22.5%)

Evidentiary Posture & Analysis:

The Conference's petition seeks declaratory relief regarding the ownership of the HPUMC campus . Under the Uniform Declaratory Judgments Act (UDJA), the trial court has broad discretion to award reasonable and necessary attorney's fees to either party (CPRC § 37.009). In complex commercial and property litigation of this magnitude, fee exposure could range from \$3M to \$5M.

Strategic Mitigation: We must carefully navigate the *BHP Petroleum Co. v. Millard* mirror-image rule. If HPUMC merely files a general denial and a counterclaim for a declaratory judgment that it *does* own the property, the court may strike the counterclaim as a redundant mirror-image, stripping HPUMC of its independent basis for fee recovery.

Hypothesized Counter-Maneuver: HPUMC must plead an affirmative statutory Trespass to Try Title action (Tex. Prop. Code Ch. 22) and a Suit to Quiet Title, coupled with a request to remove the cloud on title created by the Conference's recorded claims. This establishes an independent, affirmative claim for relief, preserving HPUMC's offensive fee leverage while exposing the Conference's claims as legally baseless under *Masterson* and *Fort Worth*.

Section 7: Dispositive Trial Strategy & Rule 166a Motion Roadmap

To secure absolute victory for Highland Park United Methodist Church (HPUMC) in the 193rd District Court, our litigation architecture must transition from defensive posturing to a relentless, phased procedural offensive. By weaponizing the Texas Rules of Civil Procedure (TRCP) and the Texas Business Organizations Code (TBOC), we will systematically dismantle the Horizon Texas Annual Conference's claims before they ever reach a jury. This requires a precise sequence of verified pleadings, aggressive discovery control, and a lethal, multi-pronged summary judgment strategy.

Phase I: Pleading Maneuvers & Issue Framing (TRCP 93 & 54)

The foundation of our trial strategy relies on trapping the Plaintiff early in the pleading stage, forcing them to carry impossible evidentiary burdens under Texas neutral-principles doctrine.

1. TRCP Rule 93 Verified Denials

We must immediately file a verified answer containing sworn denials under Tex. R. Civ. P. 93. Specifically, HPUMC will swear under oath to the following:

- **Capacity to Sue (Rule 93(1) & (2)):** Deny that the Horizon Conference possesses the legal capacity to sue on behalf of the local Texas nonprofit corporation or to enforce property rights vested solely in HPUMC, Inc.
- **Defect of Parties (Rule 93(4)):** If the Conference attempts to argue that the General Church is a necessary party, we will preemptively deny any defect, isolating the dispute to the local entity and the regional conference.
- **Denial of Corporate Authority (Rule 93(7)):** Deny the execution of any binding trust instrument or agreement by HPUMC's authorized corporate officers that would subordinate its property to the Conference.

2. TRCP Rule 54 Conditions Precedent

We will specifically deny that all conditions precedent to the Conference's claims have been met under Tex. R. Civ. P. 54. By specifically pleading that the Conference failed to obtain an express, signed, irrevocable trust instrument from HPUMC's Board of Trustees, we shift the burden entirely onto the Plaintiff to specifically prove the existence of such a document—a document we know does not exist in the Dallas County deed records.

Phase II: Discovery Control & Evidentiary Gatekeeping

Strategic Speculation & Extrapolation: Given the constitutional dimensions and the \$100M+ property valuation at stake, we will move for a Level 3 Discovery Control Plan under TRCP 190.4. This allows us to tailor deposition limits and aggressively sequence discovery to prioritize corporate governance and real estate title over ecclesiastical history.

Furthermore, we anticipate the Conference will attempt to designate canonical "experts" (e.g., Methodist historians or polity scholars) to opine on the implied nature of the UMC trust clause. We will launch preemptive *Robinson/Havner* challenges under Texas Rule of Evidence 702. We will argue that under the neutral principles methodology mandated by Texas courts, canonical interpretation is legally irrelevant to secular property title, rendering such expert testimony fundamentally unhelpful to the trier of fact and plagued by analytical gaps.

"In a neutral-principles jurisdiction, an ecclesiastical expert testifying about property ownership is an evidentiary phantom. We will strike them under TRE 702 before they ever see the witness stand."

Phase III: The Rule 166a Dispositive Motion Roadmap

Our primary kill-mechanism is a Combined Traditional and No-Evidence Motion for Summary Judgment under Tex. R. Civ. P. 166a [§22]. We will bifurcate our attack across four distinct, dispositive grounds.

Ground 1: Fee Simple Title Vested in HPUMC, Inc. (Traditional MSJ)

- **Procedural Posture:** Traditional MSJ under TRCP 166a(c).
- **Argument:** We will establish as a matter of law that there is no genuine issue of material fact regarding record title. We will attach certified copies of the warranty deeds from the Dallas County real property records proving fee simple absolute title is vested exclusively in Highland Park Methodist Church, Inc.
- **Burden Shift:** Once we produce the deeds, the burden shifts to the Conference to produce a valid, recorded instrument divesting HPUMC of title, which they cannot do.

Ground 2: Absolute Revocability & Revocation by Disaffiliation (Combined MSJ)

- **Procedural Posture:** Combined Traditional (166a(c)) and No-Evidence (166a(i)).

- **Argument:** Under Tex. Prop. Code § 112.051(a), every trust in Texas is revocable by the settlor unless expressly made irrevocable in writing. We will move for No-Evidence summary judgment on the grounds that the Conference can produce *no evidence* of a signed writing by HPUMC expressly making any alleged trust irrevocable.
- **Traditional Component:** We will affirmatively prove that HPUMC's disaffiliation and corporate amendments served as an express revocation of any implied or revocable trust that may have theoretically existed.

Ground 3: Statute of Frauds Failure (Traditional MSJ)

- **Procedural Posture:** Traditional MSJ under TRCP 166a(c).
- **Argument:** Real property trusts must comply with the Statute of Frauds under Tex. Prop. Code § 112.004. The UMC Book of Discipline (BOD ¶ 2501/2503) is a unilateral denominational enactment, not a signed conveyance by the property owner. We will establish as a matter of law that the BOD fails the Statute of Frauds because it lacks the signature of HPUMC's authorized corporate officers.

Ground 4: Corporate Authority & Lack of Standing (Traditional MSJ)

- **Procedural Posture:** Traditional MSJ under TRCP 166a(c).
- **Argument:** The Plaintiff alleges in their petition that on November 16, 2022, HPUMC filed a Restated Certificate of Formation removing all UMC references without obtaining consent from the District Superintendent . We will weaponize this admission. Under TBOC Chapter 22, HPUMC is a distinct nonprofit corporation [§23]. We will argue that a corporate act is not invalid simply because it was allegedly beyond the scope of expressed purposes or limitations [§24].
- **Lethal Strike:** We will invoke TBOC § 20.002(c) to establish that the Horizon Conference—an external, unincorporated association—statutorily lacks standing to assert an *ultra vires* claim to invalidate HPUMC's corporate amendments [§25].

"On November 16, 2022, without seeking or obtaining consent from the District Superintendent... HP Corporation filed its Restated Certificate of Formation... and removed all references to The United Methodist Church..."

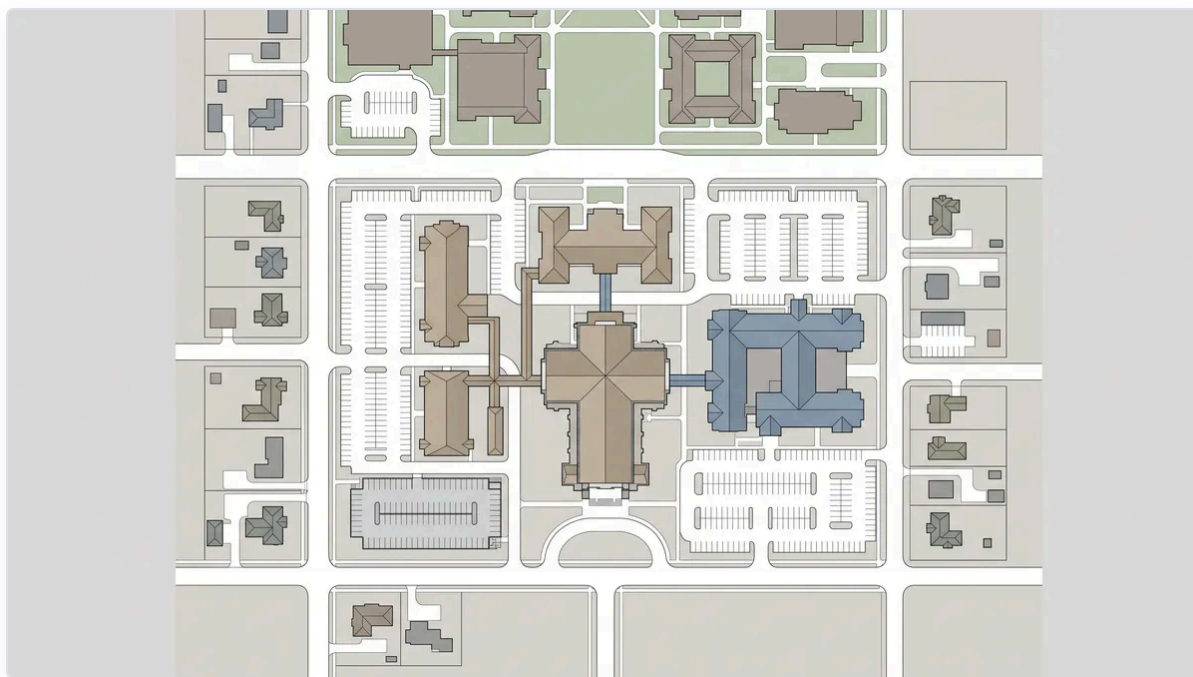
Phase IV: Settlement Architecture & Liability Isolation

Strategic Speculation & Extrapolation: While our litigation posture is designed for total victory on the merits, a parallel settlement architecture must be constructed to mitigate the highest-risk vector: accrued connectional apportionments and Wespeth pension liabilities (BOD ¶ 1504).

Our strategy is to surgically sever the real estate title dispute from the historical financial liabilities.

1. **The Escrow Maneuver:** We will calculate the exact actuarial deficit for HPUMC's share of the Wespeth pension liability. We will formally tender or escrow this specific monetary amount, explicitly designating it for pension obligations.
2. **Mooting the Financial Claims:** By tendering the pension funds, we effectively moot the Conference's only legitimate contractual claim, leaving them with nothing but a naked, legally unsupported claim against the real estate.
3. **Fee Leverage:** Once the financial claims are mooted, the Conference faces the terrifying prospect of a pure UDJA real estate fight where they carry massive exposure to HPUMC's attorney's fees under CPRC § 37.009. This asymmetry will force the Conference to the settlement table to execute a global release of the property in exchange for the escrowed pension funds and a mutual walk-away on attorney's fees.

Visual Demonstrative for: Section 2.2 Real Property Asset Inventory



Visual Demonstrative: Spatial site layout diagram depicting the physical campus of Highland Park United Methodist Church adjacent to Southern Methodist University, showing all contested buildings, parcels, and infrastructure.

GENERATED BY AI FACTUAL ASSISTANT FOR ORGANIZATIONAL PURPOSES. NOT REVIEWED BY AN ATTORNEY. NOT LEGAL ADVICE. THIS PRODUCT IS NOT A SUBSTITUTE FOR THE ADVICE OF AN ATTORNEY.

DISCLOSURE: Based on the prompt provided, this report was generated with authorization to include helpful speculation, strategic hypotheses, or extrapolation beyond the explicit evidence. Please independently verify any speculative claims.

Applicable Regulatory Rules

STATE_TX_BUSINESS_ORG § 1.002(59) — Definition of 'Nonprofit corporation'

Rule ID: rule-kP2VZAlhO4G4EaxsBHSK-9-24

"Nonprofit corporation" means a corporation governed as a nonprofit corporation under Chapter 22.

Authority: Texas Legislature

STATE_TX_BUSINESS_ORG § 20.002(b) — ULTRA VIRES ACTS.

Rule ID: rule-kP2VZAlhO4G4EaxsBHSK-314-1

An act of a corporation or a transfer of property by or to a corporation is not invalid because the act or transfer was: (1) beyond the scope of the purpose or purposes of the corporation as expressed in the corporation's certificate of formation; or (2) inconsistent with a limitation on the authority of an officer or director to exercise a statutory power of the corporation, as that limitation is expressed in the corporation's certificate of formation.

Authority: Texas Legislature

STATE_TX_BUSINESS_ORG § 20.002(c) — ULTRA VIRES ACTS.

Rule ID: rule-kP2VZAlhO4G4EaxsBHSK-314-2

The fact that an act or transfer is beyond the scope of the expressed purpose or purposes of the corporation or is inconsistent with an expressed limitation on the authority of an officer or director may be asserted in a proceeding: (1) by a shareholder or member against the corporation to enjoin the performance of an act or the transfer of property by or to the corporation; (2) by the corporation, acting directly or through a receiver, trustee, or other legal representative, or through members or shareholders in a representative suit, against an officer or director or former officer or director of the corporation for exceeding that person's authority; or (3) by the attorney general to: (A) terminate the corporation; (B) enjoin the corporation from performing an unauthorized act; or (C) enforce divestment of real property acquired or held contrary to the laws of this state.

Authority: Texas Legislature

*Texas Rule of Civil Procedure 166a — SUMMARY JUDGMENT***Rule ID:** rule-ctNFi2ZVqa9cKTZbkL18-2-21

(a) Definitions.

(1) A “traditional” motion for summary judgment is a motion that seeks to establish that no genuine issue of material fact exists as to a claim or defense and that the movant is entitled to judgment as a matter of law.

(2) A “no-evidence” motion for summary judgment is a motion that seeks to establish that there is no evidence of an essential element of a claim or defense on which the nonmovant would have the burden of proof at trial.

(b) Motion.

(1) In General. A party may move for summary judgment on a claim or defense. A motion may combine both traditional and no-evidence motions.

(2) Contents.

(A) Title. A motion for summary judgment must be titled “Traditional Motion for Summary Judgment,” “No-Evidence Motion for Summary Judgment,” or “Combined Motion for Traditional and No-Evidence Summary Judgment.” An absent or incorrect title is not grounds for denying the motion.

(B) Hearing Request. If a movant requests an oral hearing on the motion, the request must appear in the title of the motion.

(C) Traditional Motion. A traditional motion must state the specific grounds in support of the motion and produce any evidence in support.

(D) No-Evidence Motion. A no-evidence motion must state the elements of the claim or defense as to which there is no evidence.

(3) Time to File.

(A) Traditional Motion. Unless a deadline for filing is set by court order, a party may file a traditional motion at any time after the nonmovant has appeared or answered.

(B) No-Evidence Motion. A party may file a no-evidence motion after adequate time for discovery.

(c) Clerk and Court Duties Upon Filing. Upon the motion's filing, the clerk must immediately call the motion to the court's attention. The court must set the motion for an oral hearing or submission without an oral hearing according to the deadlines in this rule. The clerk must send

notice to the parties of the submission or hearing date.

(d) Response.

(1) Time to File. Except on leave of court or agreement of the parties, the nonmovant must file a response within 21 days after the motion is filed.

(2) Contents. The nonmovant must produce any evidence in support of the response. If the nonmovant requests a hearing on the motion, the request must appear in the title of the response.

(3) When Evidence Unavailable. If the nonmovant needs additional time to secure evidence in support of the response, the nonmovant must file an affidavit or declaration specifying the reasons why the nonmovant cannot present facts essential to justify its opposition. The court may extend the time to file the response, deny the motion without prejudice to permit additional discovery, or issue another appropriate order.

(e) Reply.

(1) Time to File. The movant may file a reply. Except on leave of court or agreement of the parties, the movant must file the reply within 7 days after the response is filed.

(2) Contents. A reply must not raise new or independent summary judgment grounds but may address a new or amended pleading filed after the motion if a ground initially asserted in the motion negates an element that is common to a claim or defense asserted in the new or amended pleading.

(f) Withdrawal. Any withdrawal of the motion must be filed and must identify the date the motion was filed.

(g) Hearing or Submission.

(1) Timing. A hearing or submission date must not be set within 35 days after the motion's filing. Unless the motion is withdrawn, the court must set the motion for a hearing or submission within:

(A) 60 days after the motion's filing; or

(B) 90 days after the motion's filing:

(i) if the court's docket so requires;

(ii) on a showing of good cause; or

(iii) if the movant agrees.

(2) Reset Permitted. The court may reset a hearing or submission date within the time frames specified in this rule.

(3) Proposed Order. The parties must each submit a proposed order before the hearing or

submission date.

(4) No Oral Testimony. No oral testimony will be received at a hearing on a summary judgment motion.

(5) Docket. The court must record in the docket the date the motion was heard or submitted.

(h) Standards.

(1) Grounds. No judgment will be granted except on the grounds stated under (b)(2)(C) and (b)(2)(D).

(2) Traditional Motion. The court must grant a traditional motion for summary judgment if the movant shows that, except as to the amount of damages, there is no genuine issue as to any material fact and the movant is entitled to judgment as a matter of law on the issues expressly set out in the motion.

(3) No-Evidence Motion. The court must grant a no-evidence motion unless the respondent produces summary judgment evidence raising a genuine issue of material fact.

(4) Requested Relief Not Granted. If the court does not grant the relief requested by the motion, the court may ascertain what material fact issues exist, issue an order specifying the facts that are established as a matter of law, and direct any other appropriate proceedings.

(i) Ruling. The court must sign a written ruling on the motion, file it with the clerk, and provide the ruling to the parties within 90 days after the hearing or submission date.

(j) Evidence Produced.

(1) Types of Evidence. Evidence may include:

(A) deposition transcripts;

(B) an opposing party's pleadings, interrogatory answers, admissions, and other discovery responses;

(C) affidavits and declarations;

(D) stipulations; and

(E) other authenticated evidence.

(2) Evidence Produced by Reference. Evidence may be produced by making a specific reference to it and where it may be found in the court's file.

(3) Use of Discovery Not Otherwise on File. Discovery not on file may be used as summary judgment evidence if copies of the material, appendices containing the evidence, or a notice containing specific references to the discovery or specific references to other instruments are filed

with a statement of intent to use the specified discovery as summary judgment evidence:

(A) at the time the motion is filed, if the evidence is to be used to support the summary judgment;
or

(B) at the time the response is filed, if the evidence is to be used to oppose the summary judgment.

(4) Form of Affidavit or Declaration; Further Testimony. An affidavit or declaration used to support or oppose a motion must be made on personal knowledge, set out facts that would be admissible in evidence, and show that the affiant or declarant is competent to testify to the matters stated. A document referred to in an affidavit or declaration must be attached and either sworn or certified. The court may permit an affidavit or declaration to be supplemented or opposed by deposition or by another affidavit or declaration. Defects in the form of an affidavit or declaration or its attachments will not be grounds for reversal unless specifically pointed out by objection by an opposing party with opportunity, but refusal, to amend.

(5) Affidavit or Declaration Submitted in Bad Faith. If satisfied that an affidavit or declaration is submitted in bad faith or solely for delay, the court—after notice and a reasonable time to respond—may order the submitting party to pay the other party the reasonable expenses, including attorney's fees, it incurred as a result. An offending party or attorney may also be held in contempt or subject to other appropriate sanctions.

(6) Late-Filed Evidence. The court may consider late-filed evidence if the court indicates its consideration in the record.

Authority: Texas Supreme Court

BUSINESS ORGANIZATIONS CODE § 22.051 — GENERAL PURPOSES.

Rule ID: rule-kP2VZAlhO4G4EaxsBHSK-492-8

A nonprofit corporation may be formed for any lawful purpose or purposes not expressly prohibited

Authority: Texas Legislature

Texas Property Code § 11.007 — EFFECT OF CITATION TO REAL PROPERTY RECORDS.**Rule ID:** rule-df0wCj2RfppCkiTpnJdp-5-6

A reference in an instrument to the volume and page number, film code number, or county clerk file number of the "real property records" (or other words of similar import) for a particular county is equivalent to a reference to the deed records, deed of trust records, or other specific records, for the purpose of providing effective notice to all persons of the existence of the referenced instrument.

Authority: Texas Legislature

Business Organizations Code § 1.002(59) — Nonprofit corporation**Rule ID:** rule-kP2VZAlhO4G4EaxsBHSK-10-7

(59) "Nonprofit corporation" means a corporation governed as a nonprofit corporation under Chapter 22.

Authority: Texas Legislature

BOC § 1.008(d) — SHORT TITLES.**Rule ID:** rule-kP2VZAlhO4G4EaxsBHSK-20-21

The provisions of Chapters 20 and 22 and the provisions of Title 1 to the extent applicable to nonprofit corporations may be cited as the "Texas Nonprofit Corporation Law."

Authority: Texas Legislature

Texas Rule of Civil Procedure 162 — DISMISSAL OR NON-SUIT**Rule ID:** rule-ctNFi2ZVqa9cKTZbkL18-2-16

At any time before the plaintiff has introduced all of his evidence other than rebuttal evidence, the plaintiff may dismiss a case, or take a non-suit, which shall be entered in the minutes. Notice of the dismissal or non-suit shall be served in accordance with Rule 21a on any party who has answered or has been served with process without necessity of court order.

Any dismissal pursuant to this rule shall not prejudice the right of an adverse party to be heard on a pending claim for affirmative relief or excuse the payment of all costs taxed by the clerk. A dismissal under this rule shall have no effect on any motion for sanctions, attorney's fees or other costs, pending at the time of dismissal, as determined by the court. Any dismissal pursuant to this rule which terminates the case shall authorize the clerk to tax court costs against dismissing party unless otherwise ordered by the court.

Authority: Texas Supreme Court

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