

THE EPISCOPAL CHURCH, et al.)	IN THE DISTRICT COURT OF
)	
VS.)	TARRANT COUNTY, TEXAS
)	
FRANKLIN SALAZAR, et al.)	141 ST DISTRICT COURT

ORDER ON DEFENDANTS’ MOTION TO SET SUPERSEDEAS BOND AND THE LOCAL EPISCOPAL PARTIES’ MOTION FOR ADDITIONAL PROTECTION

On May 19, 2011, came on for consideration the Defendants’ Motion to Set Supersedeas Bond and the Local Episcopal Parties’ Motion for Additional Protection, both filed on April 25, 2011. Having considered the pleadings, evidence, motions, any responses and replies, the governing law, and arguments of counsel, the Court orders as follows:

The Court makes the following findings:

1. The fair market rental value of the real property and the fair market value of the personal property made the subject of this lawsuit exceeds \$ 5,000,000.⁰⁰¹
2. Taking into account all pertinent factors, Defendants can post a supersedeas bond or cash deposit of \$ 100,000.⁰⁰ without incurring substantial economic harm.
3. During this litigation, Defendants have transferred funds out of state in order to try to avoid this Court’s jurisdiction, have dissipated over \$500,000 in property made the subject of this lawsuit, have signed oil and gas leases covering some of this property, and have incurred new debts, including one to Jude Funding, Inc.,

¹ For the purposes of this Order, “property made the subject of this lawsuit” shall include all real and personal property, including funds, securities, and records, that was held as of November 15, 2008 by or for the Episcopal Diocese of Fort Worth, the Corporation of the Episcopal Diocese of Fort Worth, the Fund for the Endowment of the Episcopate of the Episcopal Diocese of Fort Worth, any of the parishes or missions of the Episcopal Diocese of Fort Worth, or any other constituent entity of the Episcopal Diocese of Fort Worth, as well as any real and personal property obtained with other property made the subject of this lawsuit, such as income or royalties from such property or other assets purchased with such property.

that are secured by some of this property. Based on the applicable law, the Court finds, pursuant to Texas Rule of Appellate Procedure 24.2(d), that additional protection or security in the form of post-judgment injunctions against the Defendants is necessary and appropriate.

IT IS THEREFORE ORDERED that, on or before 11-20-2011, 2011, Defendants shall post a supersedeas bond or make a cash deposit in the amount of \$ 100,000.00.

IT IS FURTHER ORDERED that, during the appeal in this case and until further order of the Court, while Defendants are in possession of the property made the subject of this suit, all Defendants (as defined in Defendants' December 23, 2010 Motion for Partial Summary Judgment):

a. **SHALL NOT** use, transfer, dissipate, encumber, convey, destroy, conceal, or dispose of any property made the subject of this lawsuit other than in the normal course of business or in accordance with the terms of this Order;

b. **SHALL** keep the property made the subject of this lawsuit fully insured and maintain in force and good standing property and casualty insurance at least at the coverage levels effective in 2010;

c. **SHALL** keep the property made the subject of this lawsuit in good repair, normal wear and tear excepted, and keep current all indebtedness secured by any property made the subject of this lawsuit;

d. **SHALL** provide to Plaintiffs, through their counsel, a monthly summary, ~~verified by affidavit~~, of the sources, amounts and payees of any and all expenditures claimed to have been made in the ordinary course of business or in accordance with the terms of this Order by Defendants;

e. **SHALL** notify the parties and after hearing obtain leave of Court or written agreement of the Local Episcopal Parties before using, transferring, dissipating, encumbering, or conveying any property made the subject of this lawsuit for attorney's fees or other litigation expenses; and

f. **SHALL** notify the parties and after hearing obtain leave of Court or written agreement of the Local Episcopal Parties before increasing the balance of indebtedness on the \$3.5 million line of credit from Jude Funding, Inc. or on any other debt secured by property made the subject of this lawsuit.

IT IS SO ORDERED.

Signed this 20 day of ~~May~~^{October}, 2011.



JUDGE PRESIDING

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