

TEXAS COURT OF APPEALS, THIRD DISTRICT, AT AUSTIN

James C. Donnan and Treasa Lynn Donnan v. T. Carroll Estes;
Annette Estes; Estes Investments, LLC; and Estes Investments,
LLC—Series 8

918 F.2d 1203 · No. No. 03-24-00420-CV · Decided June 4, 2026

SUMMARY

The Texas Court of Appeals, Third District, affirmed summary judgment for the defendants in a dispute involving an alleged violation of the plaintiffs’ contractual right of first refusal to purchase real property. The court held that documents providing information about the prior sale reasonably satisfied the right-of-first-refusal contract and triggered the plaintiffs’ 30-day period to exercise their purchase right in writing. Because the plaintiffs did not timely provide written notice of exercise, their rights lapsed and the defendants were entitled to judgment and potentially contractual or statutory attorney’s fees.

CASE DETAILS

COURT	Texas Court of Appeals, Third District, at Austin
WRITING FOR THE COURT	J. Woodfin Jones, Justice; Chief Justice Byrne; Justice Triana; J. Woodfin Jones, Justice, sitting by assignment
JURISDICTION	Texas Court of Appeals, Third District, Austin
DECIDED	June 4, 2026
DOCKET	No. 03-24-00420-CV
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from a final summary judgment in favor of the Estes Parties in an action seeking specific performance based on an alleged violation of a contractual right of first refusal.
STANDARD OF REVIEW	De novo review of summary judgment. In a traditional summary-judgment proceeding, the movant must conclusively establish that no genuine issue of material fact exists and that it is entitled to judgment as a matter of law; the burden then shifts to the nonmovant to present evidence raising a genuine issue of material fact.
PRECEDENTIAL VALUE	Published memorandum opinion; precedential status identified as published in the supplied metadata.

PARTIES

James C. Donnan, Treasa Lynn Donnan v. T. Carroll Estes, Annette Estes, Estes Investments, LLC, Estes Investments, LLC–Series 8

TOPICS

specific performance real estate

contracts

summary judgment

appellate procedure

attorney fees

PRACTICE AREAS

contracts

real estate

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QUESTIONS PRESENTED

1. Whether the documents sent on December 3, 2021, provided sufficient information about the prior violative sale to trigger the Donnans' contractual thirty-day period to exercise their right of first refusal.
2. Whether the reasonableness of the information supplied was necessarily a fact question precluding summary judgment.
3. Whether the Donnans' attorney's oral statement of intent to purchase constituted a timely exercise of the right of first refusal despite the contract's written-exercise requirement.
4. Whether the subsequent sale of ten acres to RTJ, rather than the earlier sale to the Estes Parties, triggered the exercise period.
5. Whether the Estes Parties were entitled to attorney's fees.

HOLDINGS

1. A transfer of property in violation of a right of first refusal is equivalent to an offer that the owner failed to make, and reasonable information about that prior sale can trigger the rightholder's contractual duty to exercise the right within the specified period.
2. The purchase contract and settlement statement sent on December 3, 2021, reasonably satisfied the material disclosure requirements of the right-of-first-refusal contract and, as a matter of law, triggered the Donnans' thirty-day exercise period.
3. The reasonableness of the information supplied may be decided as a matter of law when the evidence permits only one rational inference; therefore, summary judgment was not precluded merely because reasonableness is often a fact question.
4. The Donnans did not timely exercise their right of first refusal because the contract required a written exercise and their attorney's oral statement of intent was insufficient.
5. The later sale of ten acres to RTJ did not control the exercise period; the triggering event was the earlier violative sale by the De Lange trust to the Estes Parties and the Donnans' receipt of reasonable information about that sale.
6. Because the Estes Parties prevailed, they were entitled to recover reasonable attorney's fees under the right-of-first-refusal contract and/or the Texas Uniform Declaratory Judgments Act.

KEY QUOTATIONS

“We conclude that the documents sent by the Estes Parties’ attorney to the Donnans’ attorney reasonably satisfied the relevant requirements of the ROFR contract.” (9)

“We hold that the information received by the Donnans on that date was, as a matter of law, reasonable information about the sale from the De Lange trust to the Estes Parties and thus was sufficient to trigger the Donnans’ contractual duty to exercise their preemptive right to purchase the property.” (9)

“Because the evidence shows conclusively that the Donnans’ rights under the ROFR contract lapsed before they took action to exercise those rights, the trial court did not err in granting summary judgment in favor of the Estes Parties.” (11)

FACTUAL BACKGROUND

The Donnans held a contractual right of first refusal covering approximately fifty-five acres in Bell County. The property was transferred by the De Lange trust to the Estes Parties in January 2020 and later partially transferred to RTJ Capital Group. On December 3, 2021, the Estes Parties' attorney sent the Donnans' attorney the purchase contract and settlement statement for the sale to the Estes Parties. Although the Donnans' attorney orally stated on December 30 that the Donnans intended to purchase, the Donnans did not make a written exercise of the right within thirty days and filed suit on March 25, 2022.

PROCEDURAL HISTORY

The Donnans sued the Estes Parties and others after the De Lange trust sold property subject to the Donnans' right of first refusal. The trial court granted summary judgment for the Estes Parties, concluding that the Donnans waived or allowed their contractual rights to lapse by failing to timely exercise them. After severance made the summary judgment final and appealable, the Donnans appealed. The Third Court of Appeals affirmed.

DISPOSITION

affirmed

CASES CITED

- Valence Operating Co. v. Dorsett, 164 S.W.3d 656, 661 (Tex. 2005)
- Frost Nat’l Bank v. Fernandez, 315 S.W.3d 494, 508 (Tex. 2010)
- Walker v. Harris, 924 S.W.2d 375, 377 (Tex. 1996)
- Williams v. Bell, 402 S.W.3d 28, 35 (Tex. App.—Houston [14th Dist.] 2013, pet. denied)
- Goodyear Tire & Rubber Co. v. Mayes, 236 S.W.3d 754, 755 (Tex. 2007) (per curiam)
- Archer v. Tregellas, 566 S.W.3d 281, 286–87 (Tex. 2018)
- Tenneco Inc. v. Enterprise Prods. Co., 925 S.W.2d 640, 644 (Tex. 1996)
- Jarvis v. Peltier, 400 S.W.3d 644, 652–53 (Tex. App.—Tyler 2013, pet. denied)
- Martin v. Lott, 482 S.W.2d 917, 922 (Tex. App.—Dallas 1972, no writ)
- Koch Indus., Inc. v. Sun Co., 918 F.2d 1203, 1211 (5th Cir. 1990)

- A.G.E., Inc. v. Buford, 105 S.W.3d 667, 673 (Tex. App.—Austin 2003, pet. denied)
- Donnan v. RTJ Cap. Grp., LLC, No. 07-23-00360-CV, 2024 WL 3614748, at *4 (Tex. App.—Amarillo July 31, 2024, pet. denied) (mem. op.)
- Comeaux v. Suderman, 93 S.W.3d 215, 220 (Tex. App.—Houston [14th Dist.] 2002, no pet.)
- S & L Props. New Pinery, LLC v. Bennett, No. 2023AP567, 2024 WL 4458130, at *7–8 (Wis. Ct. App. 2024)
- Freeport-McMoRan Oil & Gas LLC v. 1776 Energy Partners, LLC, 672 S.W.3d 391, 399 (Tex. 2023)
- Lang v. Henderson, 215 S.W.2d 585, 587 (Tex. 1948)
- McMurphy v. Moran, No. 14-23-00543-CV, 2025 WL 1833386, at *3 (Tex. App.—Houston [14th Dist.] July 3, 2025, no pet.) (mem. op.)