

COURT OF APPEALS OF NORTH CAROLINA

Barr v. Holton Construction Concepts, LLC

No. COA25-751 · No. No. COA25-751 · Decided March 18, 2026

SUMMARY

The North Carolina Court of Appeals affirmed summary judgment dismissing a general contractor’s breach-of-contract counterclaim. The court held that the contractor’s intermediate license did not authorize it to undertake the \$1.87 million project at contract formation, and that a later upgrade to an unlimited license could not retroactively cure the licensing defect. The court also identified independent grounds involving the absence of written change orders, failure to establish damages, and an issue not preserved for appeal.

CASE DETAILS

COURT	Court of Appeals of North Carolina
WRITING FOR THE COURT	Judge Fred Gore; Judge Arrowood; Judge Carpenter
JURISDICTION	North Carolina Court of Appeals
DECIDED	March 18, 2026
DOCKET	No. COA25-751
DISPOSITION	affirmed
PROCEDURAL POSTURE	Defendant appealed from the superior court's order granting plaintiffs partial summary judgment and dismissing defendant's breach of contract counterclaim.
STANDARD OF REVIEW	De novo review applies to an appeal from summary judgment. Summary judgment is proper when there is no genuine issue of material fact and a party is entitled to judgment as a matter of law.
PRECEDENTIAL VALUE	Published North Carolina Court of Appeals opinion
PARTIES	Holton Construction Concepts, LLC v. Catherine Barr, Dustin Barr

TOPICS

- construction law
- contracts
- summary judgment
- statutory interpretation
- appellate procedure

PRACTICE AREAS

- construction law
- contracts
- civil procedure
- appellate procedure

QUESTIONS PRESENTED

1. Whether summary judgment was proper on Holton's breach of contract counterclaim because Holton lacked a license appropriate to the project's value when the contract was formed.
2. Whether Holton's later upgrade to an unlimited contractor's license could retroactively validate the contract.
3. Whether alternative grounds independently supported summary judgment based on the absence of written change orders, failure to establish damages, and failure to preserve a late-payment theory for appeal.

HOLDINGS

1. A contractor that undertakes a single construction project exceeding the monetary limitation of its license lacks the license required for that undertaking, and the resulting contract is unenforceable by the contractor.
2. A subsequent upgrade to an unlimited contractor's license cannot retroactively validate a contract that exceeded the contractor's authorized capacity at formation.
3. Summary judgment was independently proper because Holton did not forecast specific evidence that the Barrs waived the contractual requirement for written, signed change orders.
4. Holton could not establish breach of contract damages merely by identifying unpaid third-party claims that it had not paid and might never be required to pay.
5. An issue not raised before the trial court will not be considered on appeal.

KEY QUOTATIONS

"Where, as here, the contractor lacks authority under Chapter 87 to undertake the project at formation, the contract is unenforceable and cannot be cured by a subsequent license upgrade." (7)

"To hold otherwise would permit contractors to contract first and upgrade later—precisely the outcome Chapter 87's strict compliance rule is designed to prevent." (7)

FACTUAL BACKGROUND

The Barrs entered a \$1,870,000 construction contract with Holton for a residence and detached garage on the same parcel, funded through a single construction loan. When the contract was executed, Holton held an intermediate general contractor's license limited to projects valued at \$1,000,000 or less; it upgraded to an unlimited license approximately nine months later. Construction was completed, the contract price was fully disbursed, and Holton later sought additional amounts in a breach of contract counterclaim based on alleged cost overruns and unpaid subcontractor claims.

PROCEDURAL HISTORY

The Barrs sued Holton after a residential construction dispute, asserting claims including breach of contract, fraud, negligent misrepresentation, and unfair and deceptive trade practices. Holton asserted several counterclaims and later dismissed all except breach of contract. The superior court granted the Barrs summary

judgment on that counterclaim; the Barrs then voluntarily dismissed their claims under Rule 41(a)(1), and Holton timely appealed.

DISPOSITION

affirmed

CASES CITED

- In re Will of Jones, 362 N.C. 569, 573 (2008)
- Liberty Mut. Ins. Co. v. Pennington, 356 N.C. 571, 579 (2002)
- Gaunt v. Pittaway, 139 N.C. App. 778, 784-85 (2000)
- Builders Supply v. Midyette, 274 N.C. 264, 270 (1968)
- Dellinger v. Michal, 92 N.C. App. 744, 747 (1989)
- Sample v. Morgan, 311 N.C. 717, 722-23 (1984)
- Brady v. Fulghum, 309 N.C. 580, 586 (1983)
- Hodgson Const., Inc. v. Howard, 187 N.C. App. 408, 414 (2007)
- Poor v. Hill, 138 N.C. App. 19, 26 (2000)
- Westminster Homes, Inc. v. Town of Cary Zoning Bd. of Adjustment, 354 N.C. 298, 309 (2001)