FOURTH COURT OF APPEALS OF SAN ANTONIO, TEXAS

Grapevine Group Concrete Contractors, Inc. v. YC Partners, Ltd. d/b/a Yantis Company and Yantis Corporation

No. 04-22-00756-CV (Tex. App.—San Antonio Mar. 4, 2026) · No. 04-22-00756-CV · Decided March 4, 2026

SUMMARY

The Fourth Court of Appeals of San Antonio, Texas, issued a memorandum opinion on motion for rehearing in a dispute between a concrete subcontractor and a construction contractor concerning two development projects. The court withdrew its prior opinion, granted rehearing in part, reversed the trial court's judgment, and remanded for a new trial on all issues. The opinion addresses alleged first material breach, payment disputes, construction-related statutory claims, damages, liens, and attorney's fees.

CASE DETAILS

COURT	Fourth Court of Appeals of San Antonio, Texas
WRITING FOR THE COURT	Lori Massey Brissette; Irene Rios; H. Todd McCray
JURISDICTION	Fourth Court of Appeals of San Antonio, Texas
DECIDED	March 4, 2026
DOCKET	04-22-00756-CV
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Cross-appeals from a final judgment after a bench trial involving breach-of-contract, quantum-meruit, Texas Construction Trust Fund Act, Texas Prompt Payment Act, mechanic's-lien, and attorney's-fee claims.
STANDARD OF REVIEW	Legal sufficiency is reviewed by crediting evidence supporting the finding if a reasonable factfinder could do so and disregarding contrary evidence unless a reasonable factfinder could not; if no evidence supports the finding, the court determines whether the contrary proposition was established as a matter of law. Factual sufficiency is reviewed neutrally, with reversal only if the finding is so contrary to the overwhelming weight of the evidence as to be clearly wrong and manifestly unjust. The appellate court does not substitute its judgment for the bench-trial factfinder's credibility determinations.

PRECEDENTIAL VALUE	Published memorandum opinion; precedential status identified in the supplied metadata as published.
PARTIES	Grapevine Group Concrete Contractors, Inc. v. YC Partners, Ltd. d/b/a Yantis Company, Yantis Corporation

TOPICS

material breach · breach of contract · damages · quantum meruit · appellate procedure

PRACTICE AREAS

appellate procedure · contracts · construction law · commercial litigation · remedies

QUESTIONS PRESENTED

1. Whether legally or factually sufficient evidence supported the finding that Grapevine committed the first material breach by failing to provide laborer lists, proper progress estimates, complete its work, and ultimately stop work.
2. Whether YC's failure to pay Grapevine's invoices, including its attempt to condition payment on payment of a separate Curv Compliance invoice, constituted a prior material breach.
3. Whether the evidence sufficiently supported YC's completion damages as reasonable and necessary.
4. Whether the trial court properly calculated the damages offset owed to Grapevine for work performed but unpaid.
5. Whether Grapevine could recover in quantum meruit in the alternative to contract recovery.
6. Whether Grapevine's claims under the Texas Construction Trust Fund Act, Texas Prompt Payment Act, and mechanic's-lien provisions required reconsideration after determining the amount and timing of work performed and payment owed.
7. Whether the attorney's-fee awards could stand after reversal of the underlying judgment.

HOLDINGS

1. By continuing to perform under the subcontracts after Grapevine failed to provide laborer lists and after receiving allegedly inaccurate progress estimates, YC treated the contracts as continuing and forfeited the right to rely on those breaches to excuse its own future performance.
2. The evidence was legally insufficient to support the finding that Grapevine's failure to provide proper progress estimates constituted a material breach that discharged YC from all further contractual duties.
3. The record did not conclusively establish that YC's failure to pay the invoices was a material breach that preceded Grapevine's breach.
4. Legally and factually sufficient evidence supported the finding that Grapevine's decision to stop work on both projects constituted the first material breach.

5. The evidence was legally sufficient to support the finding that YC's completion damages were reasonable and necessary.
6. The trial court erred by calculating Grapevine's offset using the full original value of the subcontracts rather than the value of work Grapevine actually performed but for which it remained unpaid.
7. The trial court erred in denying Grapevine's quantum-meruit claim outright; the claim must be reconsidered on remand as an alternative theory.
8. Grapevine's Texas Construction Trust Fund Act, Texas Prompt Payment Act, and mechanic's-lien claims required reversal and remand because a new factfinder must determine the amount and timing of work performed and payment owed.
9. The attorney's-fee awards had to be reversed and remanded because they depended on the underlying contract claims and judgment.

KEY QUOTATIONS

> *"the evidence is legally insufficient to support the trial court's finding that Grapevine's failure to present proper progress estimates constituted a material breach that relieved YC of its further obligations."* (at 17)

> *"Because more than a scintilla of evidence supports the trial court's findings, we cannot conclude the evidence is legally insufficient to support the trial court's finding that Grapevine's decision to stop the work on both projects constituted the first material breach."* (at 20)

> *"It is clear the trial court erred in calculating the offset by utilizing the original value of the contracts, as if completed, even though Grapevine did not complete all the work required."* (at 26)

> *"For that reason, we reverse the trial court's ruling as to quantum meruit and remand it along with the breach of contract claims, to be determined in the alternative."* (at 29)

> *"we must reverse and remand the matter for a new trial on all issues."* (at 34)

FACTUAL BACKGROUND

YC hired Grapevine as a concrete subcontractor for the Bandera Road Subdivision Unit 2 and Toepperwein Bluffs projects under two substantially similar subcontracts. The parties disputed Grapevine's progress estimates, invoices, work completion, and payment obligations; YC also conditioned payment on Grapevine's payment of a separate invoice owed to Curv Compliance, a company owned by YC's owner. Grapevine stopped work on both projects and asserted lien claims, after which YC bonded around the liens and hired C4 Construction Services to complete the work. The trial court found Grapevine committed the first material breach and awarded YC damages after offsets, but the appellate court found the offset calculation erroneous and held that several statutory and equitable claims required a new factual determination.

PROCEDURAL HISTORY

Grapevine sued YC and related parties for breach of contract, quantum meruit, statutory payment violations, lien-related relief, and attorney's fees. YC countersued for breach of contract, removal of allegedly fraudulent liens, damages, and attorney's fees. After a bench trial, the trial court awarded YC $31,806.37 after offsets and credits, awarded attorney's fees, denied Grapevine's claims against other defendants, and declared Grapevine's liens void. The court of appeals withdrew its prior opinion, granted YC's rehearing motion in part, reversed the judgment, and remanded for a new trial on all issues.

DISPOSITION

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reversed_and_remanded
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REMAND INSTRUCTIONS

Conduct a new trial on all issues, including liability and damages on both parties' breach-of-contract claims; the amount of Grapevine's unpaid work; Grapevine's quantum-meruit claim in the alternative; its Construction Trust Fund Act, Prompt Payment Act, and mechanic's-lien claims; and all attorney's-fee claims.

CASES CITED

- Graham Cent. Station, Inc. v. Pena, 442 S.W.3d 261, 263 (Tex. 2014)
- Dow Chem. Co. v. Francis, 46 S.W.3d 237, 241 (Tex. 2001) (per curiam)
- Akin, Gump, Strauss, Hauer & Feld, L.L.P. v. Nat'l Dev. & Research Corp., 299 S.W.3d 106, 115, 124 (Tex. 2009)
- City of Keller v. Wilson, 168 S.W.3d 802, 810 (Tex. 2005)
- Anderson v. Durant, 550 S.W.3d 605, 616 (Tex. 2018)
- Golden Eagle Archery, Inc. v. Jackson, 116 S.W.3d 757, 761 (Tex. 2003)
- Mustang Pipeline Co. v. Driver Pipeline Co., 134 S.W.3d 195, 196, 199-201 (Tex. 2004)
- Bartush-Schnitzius Foods Co. v. Cimco Refrigeration, Inc., 518 S.W.3d 432, 436-37 (Tex. 2017) (per curiam)
- Long Trusts v. Griffin, 222 S.W.3d 412, 415-16 (Tex. 2006) (per curiam)
- Albert G. Hill, Jr. v. Shamoun & Norman, LLP, Hill v. Shamoun & Norman, LLP, 544 S.W.3d 724, 741 (Tex. 2018)
- In re Kellogg Brown & Root, Inc., 166 S.W.3d 732, 740 (Tex. 2005)
- Vortt Expl. Co. v. Chevron U.S.A., Inc., 787 S.W.2d 942, 944 (Tex. 1990)
- Solar Applications Engineering, Inc. v. T.A. Operating Corp., 327 S.W.3d 104, 108 (Tex. 2010)
- Dealers Elec. Supply v. Scoggins Constr. Co., 292 S.W.3d 650, 657-59 (Tex. 2009)
- Barrow-Shaver Res. Co. v. Carrizo Oil & Gas, Inc., 590 S.W.3d 471, 490-91 (Tex. 2019)
- Villarreal v. Timms, 623 S.W.3d 386, 391 (Tex. App.—San Antonio 2019, no pet.)
- Enzo Investments, LP v. White, 468 S.W.3d 635, 642 n.3 (Tex. App.—Houston [14th Dist.] 2015, pet. denied)
