

SUPREME COURT OF MONTANA

Melby v. Doering

2026 MT 119 · No. DA 25-0272 · Decided June 2, 2026

SUMMARY

The Montana Supreme Court affirmed partial summary judgment for Spencer and Colette Melby in their breach-of-contract action arising from the failed purchase of Marshall Mountain. The court held that the Buy-Sell Agreement and amendment formed an enforceable contract and that the parties’ failure to mutually agree on final seller-financing contract terms did not constitute a condition precedent to contract formation. The court treated the final contract-for-deed language, at most, as a condition relating to performance or closing.

CASE DETAILS

COURT	Supreme Court of Montana
WRITING FOR THE COURT	Justice Beth Baker; Beth Baker; Cory J. Swanson; Katherine M. Bidegaray; Ingrid Gustafson; Jim Rice
JURISDICTION	Supreme Court of Montana
DECIDED	June 2, 2026
DOCKET	DA 25-0272
DISPOSITION	affirmed
PROCEDURAL POSTURE	Direct appeal from a certified partial summary judgment order holding that the parties' Buy-Sell Agreement and Amendment formed an enforceable contract and that the Doerings breached it.
STANDARD OF REVIEW	Summary judgment is reviewed de novo under Montana Rule of Civil Procedure 56. The existence and interpretation of a contract are reviewed for correctness.
PRECEDENTIAL VALUE	Published Montana Supreme Court opinion; precedential.
PARTIES	Bruce Doering, Kim Doering v. Spencer Melby, Colette Melby

TOPICS

- breach of contract
- contract formation
- conditions precedent
- contract interpretation
- appellate procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the Buy-Sell Agreement and its Amendment formed an independently enforceable contract even though the parties had not mutually agreed on all final terms of a seller-financing contract for deed.
2. Whether the parties' failure to agree on the final contract-for-deed terms was a condition precedent to formation rather than merely a condition affecting performance or closing.
3. Whether the Doerings materially breached the enforceable agreement by adding a public-access easement contrary to the Buy-Sell Agreement, title commitment, and condition-of-title provision.

HOLDINGS

1. The Buy-Sell Agreement and Amendment independently formed an enforceable contract for the sale of Marshall Mountain because they identified the parties, property, purchase price and financing terms, and manifested mutual assent; the contemplated future contract for deed did not negate present enforceability.
2. The phrase '[f]inal contract for deed to be mutually agreed upon by both parties' was, at most, a condition precedent to closing or performance, not a condition precedent to formation of the Buy-Sell Agreement and Amendment.
3. The Doerings materially breached the express agreement by adding a public-access easement that contradicted the Buy-Sell Agreement's title provisions and approved title commitment, and by terminating negotiations based on the Melbys' refusal to accept that provision.

KEY QUOTATIONS

“When parties enter an informal agreement and express the intention to create a more formal superseding contract, the independent enforceability of the informal agreement depends on (1) whether it satisfies the essential elements required for contract formation, Hurly, ¶ 17 (citation omitted); (2) whether it contains all of the parties’ agreed-to material terms, Kluver, ¶¶ 36-37 (citing Hurly, ¶¶ 7, 21-22; Steen v. Rustad, 132 Mont. 96, 104, 313 P.2d 1014, 1019 (1957)); and (3) whether the parties did not clearly and unambiguously require the execution of a formal superseding agreement as a condition precedent to contract formation.” (¶ 15)

“Together the Buy-Sell and Amendment constituted an enforceable contract. Doerings materially breached the express terms of the Agreement when they added the Public Access provision in direct contradiction of the Entire Agreement, Title Contingency, Condition of Title provisions and the Commitment.” (¶ 44)

FACTUAL BACKGROUND

The Doerings owned Marshall Mountain, a 156-acre property in Missoula County, and entered into a February 22, 2021 Buy-Sell Agreement to sell it to the Melbys for \$2,150,000. The parties later amended the financing contingency to provide for seller financing with specified terms and stated that the final contract for deed would be mutually agreed upon. During drafting, the Doerings added numerous provisions, including a public-access easement that was not contained in the Buy-Sell Agreement, Amendment, or approved title commitment. After

the Melbys objected to the public-access provision, the Doerings refused the proposed revisions and terminated the Buy-Sell Agreement.

PROCEDURAL HISTORY

The Melbys sued the Doerings after the parties' agreement to purchase Marshall Mountain fell through. The District Court granted the Melbys partial summary judgment on their express breach-of-contract claim, finding an enforceable contract, breach, and resulting damages, but denied summary judgment on the implied-covenant claim because material facts remained disputed. The District Court certified the order for immediate appeal under Montana Rule of Civil Procedure 54(b), and the Montana Supreme Court accepted certification.

DISPOSITION

affirmed

REMAND INSTRUCTIONS

Remanded for further proceedings consistent with the affirmed partial summary judgment order.

CASES CITED

- Hanson v. Town of Fort Peck, 2023 MT 208, 414 Mont. 1, 538 P.3d 404
- Modroo v. Nationwide Mut. Fire Ins. Co., 2008 MT 275, 345 Mont. 262, 191 P.3d 389
- Kluver v. PPL Mont., LLC, 2012 MT 321, 368 Mont. 101, 293 P.3d 817
- Hurly v. Lake Cabin Dev., LLC, 2012 MT 77, 364 Mont. 425, 276 P.3d 854
- Schwend v. Schwend, 1999 MT 194, 295 Mont. 384, 983 P.2d 988
- GRB Farm v. Christman Ranch, Inc., 2005 MT 59, 326 Mont. 236, 108 P.3d 507
- Lewis & Clark Cnty. v. Wirth, 2022 MT 105, 409 Mont. 1, 510 P.3d 1206
- Mary J. Baker Rev. Tr. v. Cenex Harvest States, Coop. Inc., 2007 MT 159, 338 Mont. 41, 164 P.3d 851
- Kostelecky v. Peas in a Pod LLC, 2022 MT 195, 410 Mont. 239, 518 P.3d 840
- Davidson v. Barstad, 2019 MT 48, 395 Mont. 1, 435 P.3d 640
- Hetherington v. Ford Motor Co., 257 Mont. 395, 849 P.2d 1039 (1993)
- Lockhead v. Weinstein, 2003 MT 360, 319 Mont. 62, 81 P.3d 1284
- Patton v. Madison County, 265 Mont. 362, 877 P.2d 993 (1994)
- Olsen v. Johnston, 2013 MT 25, 368 Mont. 347, 301 P.3d 791
- Steen v. Rustad, 132 Mont. 96, 313 P.2d 1014 (1957)
- Smith v. Johnson, 245 Mont. 137, 798 P.2d 106 (1990)
- Dineen v. Sullivan, 123 Mont. 195, 213 P.2d 241 (1949)
- Maxted v. Stenberg, 166 Mont. 460, 534 P.2d 864 (1975)
- Zier v. Lewis, 2009 MT 266, 352 Mont. 76, 218 P.3d 465
- Perl v. Grant, 2024 MT 13, 415 Mont. 61, 542 P.3d 396

- Olsen v. Johnston, 2013 MT 25, 368 Mont. 347, 301 P.3d 791

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