

SUPREME COURT OF IDAHO

Belk v. Martin, 136 Idaho 652

39 P.3d 592 (2001) · No. No. 25259 · Decided December 28, 2001

SUMMARY

The Idaho Supreme Court reviewed a judgment reforming a farm lease to correct a unilateral mistake in the stated rental amount. The court held that extrinsic evidence was admissible because the defendant knew of the mistake, affirmed reformation of the lease, upheld prejudgment interest, and dismissed a quasi-estoppel defense. Attorney fees and costs on appeal were awarded to the respondents.

CASE DETAILS

COURT	Supreme Court of Idaho
WRITING FOR THE COURT	Justice Walters; Chief Justice Trout; Justice Schroeder; Justice Kidwell; Justice Eismann
JURISDICTION	Idaho
DECIDED	December 28, 2001
DOCKET	No. 25259
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from a bench trial and amended judgment reforming a farm lease, awarding rent, prejudgment interest, harvesting expenses, attorney fees, and costs.
STANDARD OF REVIEW	Findings of fact in a bench trial are reviewed for substantial and competent evidence and will not be overturned unless clearly erroneous; conclusions of law are freely reviewed. An award of prejudgment interest is reviewed for abuse of discretion. The denial of the motion in limine was reviewed under the circumstances presented, and the court held the excluded evidence was admissible.
PRECEDENTIAL VALUE	Published Idaho Supreme Court opinion; precedential
PARTIES	Allen Martin, Meliah Martin v. Gary Belk, Carole Cannon

TOPICS

- mistake
- reformation
- contract interpretation
- appellate procedure
- standard of review

PRACTICE AREAS

contracts

real estate

remedies

appellate procedure

QUESTIONS PRESENTED

1. Whether substantial and competent evidence supported the finding that Martin knew of the lessors' unilateral mistake in the lease's rental provision.
2. Whether the district court properly admitted extrinsic evidence and denied Martin's motion in limine.
3. Whether the district court properly reformed the lease based on the lessors' unilateral mistake and Martin's knowledge of that mistake.
4. Whether Martin established a quasi-estoppel defense.
5. Whether the district court abused its discretion by awarding prejudgment interest without offsetting interest that could have been earned on disputed funds.
6. Whether either party was entitled to attorney fees on appeal.

HOLDINGS

1. Extrinsic evidence is admissible to show that a written contract contains a unilateral mistake when the other party knew of the mistake and the writing does not reflect the parties' true intent.
2. A written agreement may be reformed when one party made a unilateral mistake and the other party knew of the mistake, even when the mistake resulted from negligence.
3. Martin did not establish quasi-estoppel because the record did not show an agreed multi-year lease or that he suffered a severe disadvantage by changing his crop plans.
4. The district court did not abuse its discretion by awarding prejudgment interest without an offset for interest that might have been earned on disputed funds because Martin failed to provide an adequate appellate record showing error.
5. The respondents, as the prevailing parties, were entitled to attorney fees and costs on appeal under Idaho Code section 12-120(3) and Idaho Appellate Rule 41.

KEY QUOTATIONS

*“Extrinsic evidence should be allowed where there has been a unilateral mistake made by a party and the other party has knowledge of the mistake.” (*598)*

*“This Court holds that the district court did not err by reforming the lease that contained a unilateral mistake of which Martin had knowledge.” (*599)*

*“This Court holds that the appellant has not shown that the district court abused its discretion when it awarded prejudgment interest without an offset for the amount that could have been earned had the disputed funds been placed in an interest bearing account.” (*601)*

FACTUAL BACKGROUND

The parties negotiated a cash lease of 113.6 acres of farmland, agreeing to a rental rate of \$130 per acre and a crop-year term. The written lease, prepared by the lessors' attorney and signed without prior review by the lessors, stated rent of \$1,476.80 instead of the agreed \$14,768.00; Martin knew the written amount differed from the negotiated amount but did not disclose the discrepancy. After Martin failed to pay rent and retained possession, the parties disputed the rent and incurred expenses completing the corn harvest.

PROCEDURAL HISTORY

The Idaho district court found that the lease contained a unilateral mistake in the rental amount, that Martin knew of the mistake, and that the parties had agreed to rent of \$130 per acre rather than the amount stated in the written lease. The court reformed the lease, awarded rent, prejudgment interest, harvesting expenses, attorney fees, and costs, and dismissed Martin's quasi-estoppel defense. Martin appealed, challenging the admission of extrinsic evidence, reformation, dismissal of his defense, prejudgment interest, and attorney fees.

DISPOSITION

affirmed

CASES CITED

- *Sowards v. Rathbun*, 134 Idaho 702, 8 P.3d 1245 (2000)
- *Conley v. Whittlesey*, 133 Idaho 265, 985 P.2d 1127 (1999)
- *Moore v. Mullen*, 123 Idaho 985, 855 P.2d 70 (Ct. App. 1993)
- *Cline v. Hoyle & Assoc. Ins., Inc.*, 108 Idaho 162, 697 P.2d 1176 (1985)
- *Leydet v. City of Mountain Home*, 119 Idaho 1041, 812 P.2d 755 (Ct. App. 1991)
- *Dennett v. Kuenzli*, 130 Idaho 21, 936 P.2d 219 (Ct. App. 1997)
- *Chambers v. Thomas*, 123 Idaho 69, 844 P.2d 698 (1992)
- *Valley Bank v. Christensen*, 119 Idaho 496, 808 P.2d 415 (1991)
- *Beard v. George*, 135 Idaho 685, 23 P.3d 147 (2001)
- *Tusch Enterprises v. Coffin*, 113 Idaho 37, 740 P.2d 1022 (1987)
- *Bailey v. Ewing*, 105 Idaho 636, 671 P.2d 1099 (Ct. App. 1983)
- *Graber v. Comstock Bank*, 111 Nev. 1421, 905 P.2d 1112 (1995)
- *Collins v. Parkinson*, 96 Idaho 294, 527 P.2d 1252 (1974)
- *Uptick Corp. v. Ahlin*, 103 Idaho 364, 647 P.2d 1236 (1982)
- *Irwin Rogers Ins. Agency, Inc. v. Murphy*, 122 Idaho 270, 833 P.2d 128 (Ct. App. 1992)
- *Aitken v. Gill*, 108 Idaho 900, 702 P.2d 1360 (Ct. App. 1985)
- *Crea v. Crea*, 135 Idaho 246, 16 P.3d 922 (2000)
- *Lunders v. Estate of Snyder*, 131 Idaho 689, 963 P.2d 372 (1998)
- *Stueve v. Northern Lights, Inc.*, 122 Idaho 720, 838 P.2d 323 (Ct. App. 1992)
- *Baxter v. Craney*, 135 Idaho 166, 16 P.3d 263 (2000)
- *Sun Valley Shopping Ctr., Inc. v. Idaho Power Co.*, 119 Idaho 87, 803 P.2d 993 (1991)

- U.S. Bank National Ass'n v. Kuenzli, 134 Idaho 222, 999 P.2d 877 (2000)
- Margaret H. Wayne Trust v. Lipsky, 123 Idaho 253, 846 P.2d 904 (1993)
- State v. Murphy, 133 Idaho 489, 988 P.2d 715 (Ct. App. 1999)
- Farmers Nat. Bank v. Shirey, 126 Idaho 63, 878 P.2d 762 (1994)
- Lickley v. Max Herbold, Inc., 133 Idaho 209, 984 P.2d 697 (1999)

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