

SUPREME COURT OF IDAHO

Spokane Structures, Inc. v. Equitable Investment, LLC, 148 Idaho 616

226 P.3d 1263 (2010) · No. No. 35349-2008 · Decided January 28, 2010

SUMMARY

The Idaho Supreme Court held that a design/build agreement was merely an unenforceable agreement to agree because the parties left essential terms, including the plans, specifications, scope of work, and construction price, for future negotiation. The court also held that the plaintiff's premature notice of appeal became valid upon entry of the final judgment under Idaho Appellate Rule 17(e)(2). The summary judgment, award of costs and attorney fees, and related orders were vacated, and the case was remanded for further proceedings.

CASE DETAILS

COURT	Supreme Court of Idaho
WRITING FOR THE COURT	Eismann, Chief Justice; Burdick, Justice; J. Jones, Justice; W. Jones, Justice; Horton, Justice
JURISDICTION	Idaho
DECIDED	January 28, 2010
DOCKET	No. 35349-2008
DISPOSITION	vacated
PROCEDURAL POSTURE	Builder appealed from the district court's summary judgment dismissing its claims and the related award of costs and attorney fees. The notice of appeal was filed before entry of a separate final judgment.
STANDARD OF REVIEW	The court reviewed the jurisdictional effect of a premature notice of appeal and reviewed summary judgment de novo, determining whether there was any genuine issue of material fact and whether the prevailing party was entitled to judgment as a matter of law.
PRECEDENTIAL VALUE	Published Idaho Supreme Court opinion; precedential.
PARTIES	Spokane Structures, Inc. v. Equitable Investment, LLC, a.k.a. Systems Technologies

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QUESTIONS PRESENTED

1. Whether the Idaho Supreme Court had jurisdiction when the notice of appeal was filed before entry of a separate final judgment.
2. Whether the Design/Build Agreement was a binding and enforceable contract or merely an unenforceable agreement to agree.
3. Whether the district court improperly granted summary judgment and rejected Spokane's equitable claims based on the existence of an express contract.
4. Whether Spokane was entitled to attorney fees on appeal under Idaho Code section 12-120(3).

HOLDINGS

1. A premature notice of appeal filed from an appealable judgment, order, or decree becomes valid upon the formal entry of that judgment, order, or decree under Idaho Appellate Rule 17(e)(2), without requiring the notice to be refiled.
2. The Design/Build Agreement was not a binding contract because it left material and interrelated terms—the plans and specifications defining the scope of work and the construction price—for future agreement, making it merely an agreement to agree.
3. The district court erred by treating the Design/Build Agreement as an express contract and by relying on that supposed contract to preclude Spokane's equitable theories of recovery.
4. Spokane was not entitled to an attorney-fee award on appeal at that time because the prevailing party had not yet been determined; the district court could award fees for the appeal if Spokane ultimately prevailed on remand.

KEY QUOTATIONS

“As a general rule, a final judgment is an order or judgment that ends the lawsuit, adjudicates the subject matter of the controversy, and represents a final determination of the rights of the parties. It must be a separate document that on its face states the relief granted or denied.” (226 P.3d 1267)

“No enforceable contract comes into being when parties leave a material term for future negotiations, creating a mere agreement to agree.” (226 P.3d 1268)

FACTUAL BACKGROUND

Equitable Investment approached Spokane Structures to design and construct a commercial office and warehouse remodel in Hayden, Idaho. The parties signed a one-page Design/Build Agreement under which

Spokane would prepare plans and specifications, with a final construction cost to be provided after completion of the plans and city approval; the agreement stated that if financing was not obtained, Spokane would be paid \$5,000 for the plans. Spokane completed plans incorporating Equitable's requested changes, but Equitable decided not to proceed with the project.

PROCEDURAL HISTORY

Spokane Structures sued Equitable Investment seeking specific performance or damages for breach of contract, unjust enrichment, quantum meruit, and promissory estoppel based on a Design/Build Agreement. The district court granted summary judgment to Equitable, concluding that the agreement was an express contract imposing no obligation on Equitable to proceed or pay and that equitable recovery was precluded. The court later awarded Equitable \$14,446.75 in costs and attorney fees. The Idaho Supreme Court held that the premature notice of appeal became valid when the final judgment was entered, vacated the summary judgment and fee award, and remanded.

DISPOSITION

vacated

REMAND INSTRUCTIONS

The case was remanded for further proceedings consistent with the opinion. The district court was to reconsider the claims without treating the Design/Build Agreement as a binding express contract; if Spokane ultimately prevailed, the court could award attorney fees for the appeal.

CASES CITED

- In re Universe Life Insurance Co., 144 Idaho 751, 171 P.3d 242 (2007)
- Hunting v. Clark County School Dist. No. 161, 129 Idaho 634, 931 P.2d 628 (1997)
- Davis v. Peacock, 133 Idaho 637, 991 P.2d 362 (1999)
- Scaggs v. Mutual of Enumclaw Insurance Co., 141 Idaho 114, 106 P.3d 440 (2005)
- Camp v. East Fork Ditch Co., 137 Idaho 850, 55 P.3d 304 (2002)
- Department of Health & Welfare v. Doe, 147 Idaho 357, 209 P.3d 654 (2009)
- Meridian Bowling Lanes, Inc. v. Meridian Athletic Ass'n, Inc., 105 Idaho 509, 670 P.2d 1294 (1983)
- Dale's Service Co., Inc. v. Jones, 96 Idaho 662, 534 P.2d 1102 (1975)
- Maroun v. Wyreless Systems, Inc., 141 Idaho 604, 114 P.3d 974 (2005)
- City of McCall v. Buxton, 146 Idaho 656, 201 P.3d 629 (2009)
- Lexington Heights Dev., LLC v. Crandlemire, 140 Idaho 276, 92 P.3d 526 (2004)