

SUMMARY STATEMENT

Caldwell v. Johnson

Docket No. 46056

The Idaho Supreme Court vacated a district court's final judgment and order of attorney's fees entered in favor of Caldwell Land and Cattle, LLC ("CLC") and remanded for further proceedings. The appeal stemmed from an unlawful-detainer and breach-of-contract action filed by CLC after purchasing a building where the holdover tenant, Johnson Thermal Systems ("JTS"), asserted a right to remain on the property. The dispute centered on the interpretation of a lease between JTS and the original property owner which granted JTS an option to extend the lease. JTS contended it properly exercised the option; CLC argued that JTS did not. After a bench trial, the district court ruled that JTS failed to exercise the option and thus became a holdover tenant. The court further ruled that when JTS did not vacate the property within the proper timeframe, JTS unlawfully detained the premises and was liable for the ensuing damages. JTS timely appealed.

The Idaho Supreme Court affirmed the district court's ruling that JTS failed to exercise the option to extend. The Court also affirmed the district court's decision to allow CLC's contract claim to be heard alongside its claim for unlawful-detainer damages. The Court further affirmed the district court's decision to award rent and lost profits to CLC for JTS's unlawful detainer, but concluded that the district court erred by awarding CLC damages for losses allegedly sustained by CLC's incoming tenant, Caldwell Peterbilt. Likewise, the Court affirmed the district court's ruling that JTS was liable for breach of contract for failure to timely remove a transformer, repair damages, or timely vacate, and thus affirmed the district court's determination that JTS is liable for damage to the property, the cost of the transformer, and CLC's lost profits stemming from JTS's failure to timely vacate. However, the Court determined that no damages based on Peterbilt's lost profits should have been awarded under that theory. As a result, the Court remanded for a reentry of damages and instructed the district court to reconsider its order regarding attorney's fees.