

SUMMARY STATEMENT

Bronco Elite Arts & Athletics v. 106 Garden City
Docket Nos. 49094 & 49523

This consolidated appeal concerns a dispute over a lease agreement that contained an underlying purchase option. Bronco Elite Arts & Athletics, LLC, and its manager and registered agent, Brandon Paine, (collectively “Bronco Elite”), operate a gymnastics facility in Garden City, Idaho. The gymnastics facility is located on property, (the “Property”), that Bronco Elite leases from 106 Garden City, LLC, and Tricon Properties, LLC, (collectively the “Owners”). The lease agreement provided Bronco Elite the option to purchase the Property five years into the initial ten-year lease term. However, when Bronco Elite attempted to exercise its option, the Owners refused to honor Bronco Elite’s purchase option.

Bronco Elite sued the Owners, seeking specific performance. The Owners argued that Bronco Elite was precluded from exercising its purchase option because Bronco Elite had breached the lease agreement by consistently failing to pay rent on time and the lease terms only permitted Bronco Elite to exercise the purchase option if it was not in breach. The district court granted summary judgment in favor of Bronco Elite and ordered the Owners to convey the Property to Bronco Elite. The Owners appealed the district court’s decision to grant Bronco Elite’s summary judgment. Bronco Elite cross-appealed the district court’s remedy in implementing specific performance and its denial of Bronco Elite’s request for certain post-judgment attorney fees. The specific performance ordered by the district court was stayed pending appeal. These appeals followed. For the reasons discussed below, we affirm in part and reverse in part.

First, the Idaho Supreme Court held that the district court did not err in granting summary judgment to Bronco Elite. This Court concluded that the Owners failed to show that the district court abused its discretion in deeming the challenged portions of Paine’s declarations admissible. This Court also held that the district court did not err in determining the Owners had waived Bronco Elite’s breaches of the lease agreement. Further, the Idaho Supreme Court affirmed the district court’s conclusion that, while Bronco Elite had breached the lease agreement by failing to keep the Property free from liens, that breach was not a material breach.

Second, this Court concluded that the district court did not err in denying the Owners’ motion to reconsider. While the evidence the Owners relied on in their motion to reconsider sought to challenge the district court’s grant of summary judgment, the district court correctly determined that the evidence was not newly discovered and did not affect its original decision.

Third, the Idaho Supreme Court determined that the district court erred in setting the purchase price of the Property in the way that it did. Using the 12% interest rate in Idaho Code section 28-22-104(1), the district court calculated that the Owners would be entitled to prejudgment interest credit for the loss of use of the purchase price while the litigation was pending. This Court reversed because applying section 28-22-104(1) here would effectively grant the Owners a windfall for their breach of the lease agreement. The purpose of an equitable accounting is to place the parties in the same position they would have been in if the contract had been performed. Further, this Court stated that if Bronco Elite can prove to the district court that it incurred additional costs due to the forced delay in purchasing the Property, it is entitled to an offset against the purchase price for those increased costs.

Fourth, the Idaho Supreme Court held that the district court did not err in requiring conditions to stay enforcement of the judgment. Pursuant to Idaho Appellate Rule 13(b)(14), the district court ordered Bronco Elite to continue its rental payments to the Owners during the

pendency of the appeal. Further, Bronco Elite is entitled to a reduction of the purchase price for any rent it had to pay after July 7, 2020, because it would not have had to pay that rent if the purchase had gone through on that date.

Fifth, this Court held that the district court did not err in awarding attorney fees to Bronco Elite below because Bronco Elite was the prevailing party after analyzing the factors in Idaho Rule of Civil Procedure 54(e)(3). Further, Bronco Elite was entitled to the attorney fees it incurred after the expiration of the automatic stay imposed by Idaho Appellate Rule 13(a). However, the district court erred in denying Bronco Elite's request for post-judgment attorney fees because it misconstrued the fourteen-day deadline to request fees set out in Idaho Rule of Civil Procedure 54. This Court held that, in order to collect post-judgment attorney fees, a party must request such fees within a reasonable time of incurring them.

Finally, this Court concluded that as the prevailing party on every issue on appeal, Bronco Elite is the prevailing party and, therefore, entitled to attorney fees pursuant to Idaho Code section 12-120(3).

******This summary constitutes no part of the Court's opinion. It has been prepared by court staff for the convenience of the public.******