

SUMMARY STATEMENT

Axelrod, Trustee v. Reid Limited Partnership and Reid
Docket No. 49628

This appeal involves issues arising out of a settlement agreement concerning the real property and easement rights of two neighboring landowners, David W. Axelrod as Trustee of the David W. Axelrod Family Trust (“Axelrod”) and Michael Reid (“Reid”), who owned and operated an organic dairy farm nearby on land owned by the Reid Limited Partnership (“RLP”). Reid also leased land for his farming operations adjacent to the parcel purchased by Axelrod. At the time of its purchase, the Axelrod parcel was not accessible by road. There were two options for building an access road, and Reid told Axelrod that he would prefer Axelrod to build onto the existing dirt road, the RLP Easement, because the other access, the Miller Easement, cut across a pasture he was leasing for grazing. In 2004, Axelrod built onto the existing dirt road. Over time, the relationship between Axelrod and Reid deteriorated. Shortly after Reid referred to Axelrod’s usage of the RLP Easement as a “handshake agreement,” Axelrod filed suit seeking clarification about the nature of his easement rights. On the day trial was to commence, the parties executed a settlement agreement and stipulated to dismiss the suit. The settlement agreement required that Axelrod build a new road along the Miller Easement and thereafter renounce any easement rights in the RLP Easement, and that Reid be solely responsible for the cost and installation of an up to sixteen-foot wide cattle guard to be installed on the Axelrod property..

Axelrod built the Miller Easement road. The road contractor working for Axelrod found a sixteen-foot cattle guard and was directed by Axelrod to install it. Reid was unhappy with the size, quality, expense, and placement of the cattle guard. Accordingly, Reid refused to pay for the cattle guard and placed a blue gate across the Miller Easement road. Axelrod filed suit, alleging that Reid and RLP had failed to abide by a term of the Settlement Agreement that required Reid and RLP to pay costs associated with the installation of the cattle guard and had failed to deal fairly with and act in good faith toward Axelrod.

The district court granted summary judgment against Reid on all his claims because he did not timely respond to Axelrod’s summary judgment motion. The court awarded attorney fees to Axelrod on the summary judgment motion, but not on Reid’s motion for reconsideration. The case proceeded to trial on Axelrod’s and RLP’s remaining claims and counterclaims. RLP moved to join Reid Family Limited Partnership as successor-in-interest to RLP, but the district court denied the motion. At the conclusion of the trial, Axelrod moved for directed verdict on all remaining claims, which included Axelrod’s claim for breach of contract and RLP’s remaining counterclaims. In a written decision, the district court granted Axelrod’s motion for directed verdict on all remaining claims. The district court awarded costs and attorney fees to Axelrod against Reid and RLP.

In a unanimous opinion, the Supreme Court affirmed the grant of summary judgment against Reid individually, holding that the district court did not abuse its discretion by declining to review Reid’s untimely filings and that Reid did not raise genuine issues of material fact. The Supreme Court vacated the judgment of the district court dismissing RLP’s trespass claim, holding that the district court erred in concluding that RLP did not have standing to pursue any of its

trespass claims. The Supreme Court affirmed the district court's judgment dismissing RLP's counterclaims because it concluded that the court's judgment was supported by substantial and competent evidence. The Supreme Court affirmed the judgment of the district court on Axelrod's breach of contract claim because it found the court's decision was supported by substantial and competent evidence and affirmed the judgment of the district court refusing to allow amendment of the pleadings to add RFLP as a party because it held that the court acted within the outer boundaries of its discretion in making that judgment. The Supreme Court affirmed the award of attorney fees to Axelrod as against Reid for costs incurred in prosecuting summary judgment claims but vacated the judgment of the district court declining to award attorney fees for defense of the motion for reconsideration because the attorney fee section of the parties' settlement agreement was not the basis for the court's decision. As litigation relating to the RLP will continue, the Court vacated the attorney fee award as against RLP and remanded for further proceedings.

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