

SUMMARY STATEMENT

North Haven Business Park, Inc. v. Balance Regenerative Medicine, PLLC
Docket No. 51986

In this case arising out of Twin Falls County, the Court of Appeals affirmed the district court's judgment dismissing North Haven Business Park, Inc.'s complaint for breach of contract and unjust enrichment. North Haven and Balance Regenerative Medicine, PLLC (BRM) entered into a lease agreement for office space that included a budget for tenant improvements and a reimbursement provision for approved costs exceeding the allowance. North Haven later sold the office space and assigned the lease to Whitten Farms, LLC, but retained responsibility for completing the tenant improvements under an addendum to the sale agreement. After internal disputes among BRM's members, one member sought release from the lease while the other affirmed BRM's continued commitment to the lease. BRM also sent North Haven a letter asserting BRM had not received an accounting or approved any tenant-improvement overages. North Haven responded by demanding \$298,000 in excess improvement costs. When BRM did not pay, North Haven sued for breach of the lease, breach of the lease guaranty, and unjust enrichment. Both parties moved for summary judgment. The district court found that North Haven lacked standing to sue BRM and, alternatively, that BRM did not breach the lease. The district court also dismissed the unjust-enrichment claim and awarded BRM summary judgment.

On appeal, North Haven argued the district court erred in finding North Haven lacked standing and in concluding BRM did not breach the lease. The Court rejected these arguments, holding the lease was invalid because North Haven failed to comply with the Idaho Contractor Registration Act, which bars unregistered contractors from seeking recovery for construction costs. As a result, North Haven could not pursue damages for breach of the lease. The Court also held North Haven lacked standing because it transferred its interests to Whitten Farms under the sale agreement and assignment of the lease. North Haven's additional claims (dismissal of its guarantor and unjust enrichment) also failed because they were premised on the Court concluding it had standing to sue BRM. The Court awarded costs and attorney fees to BRM as the prevailing parties on appeal.

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