

**IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TETON**

VINTAGE II, LLC, a Wyoming Limited
Liability Company; and CHRISTINE
HOLDING, an individual,

Plaintiffs,

vs.

TETON SADDLEBACK VISTAS
HOMEOWNERS ASSOCIATION, INC.,
an Idaho Nonprofit Corporation,

Defendant.

Case No. CV41-21-0266

**MEMORANDUM DECISION and
ORDER**

This matter is before the Court on Plaintiffs Vintage II, LLC (hereinafter “Vintage II”) and Christine Holdings’ (hereinafter “Holding”) joint MOTION FOR RECONSIDERATION, NEW TRIAL, OR RELIEF FROM JUDGMENT.

I. FACTS AND PROCEEDINGS

The full factual history is set forth in the Court’s MEMORANDUM DECISION AND ORDER on September 30, 2022 and the Court’s FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER, dated July 13, 2023 and need not be restated herein but is fully incorporated by reference. The relevant factual and procedural history is as follows.

On September 15, 2021, Plaintiffs filed a VERIFIED COMPLAINT suing Defendant Teton Saddleback Vistas Homeowners Association, Inc. (hereinafter “Teton Saddleback Vistas”) raising a single cause of action: Quiet Title to Subject Property.¹ On January 3, 2023, Teton Saddleback Vistas filed an AMENDED ANSWER and raised several affirmative defenses, including asserting that

¹ VERIFIED COMPLAINT. p.4

the Plaintiffs' properties are bound by certain restrictions "as equitable servitudes of which Plaintiffs had notice at all relevant times hereto."²

Plaintiffs filed a MOTION FOR SUMMARY JUDGMENT that was denied in a MEMORANDUM DECISION AND ORDER filed September 30, 2023. The Court subsequently denied CROSS MOTIONS FOR RECONSIDERATION and the case proceeded to a bench trial on May 18, 2023.³ At trial, the Court considered the STIPULATION OF MATERIAL FACTS AND EXHIBITS the parties filed May 16, 2023. The Court further considered Teton Saddleback Vista's request to admit a document marked "Exhibit B-1", that is a recorded instrument, Teton County Instrument No. 173851 titled "Master Plan for Teton Saddleback Vistas Subdivision". Over objection, the Court admitted Defense "Exhibit B-1".

On June 20, 2023, the Court issued its FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER, and found that Vintage II met its burden to prevail on a claim to quiet title as to the enforceability of CC&Rs; that Vintage II was bound by the declarations and restrictions for use in the Master Plan (Instrument No. 173851); that Holding failed to meet her burden to prevail on a claim to quiet title; that Teton Saddleback Vistas had valid CC&Rs as set forth in the First Amendment (Instrument No. 239244), and that the Correction to the CC&Rs (Instrument No. 269853) was void and unenforceable.⁴ A JUDGMENT was filed on June 30, 2023.

On July 13, 2023, Plaintiffs filed a MOTION FOR RECONSIDERATION, NEW TRIAL, OR RELIEF FROM JUDGMENT. Following responsive briefing, the parties appeared before the Court for argument on the motion. At a hearing on October 12, 2023, the Court took the matter under

² AMENDED ANSWER. ¶ 13. Defendant filed its initial answer March 15, 2022, and later obtained leave to file an Amended Answer.

³ COURT MINUTES. May 18, 2023.

⁴ FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER. pp. 13-14.

advisement. Having fully reviewed the record, the briefing, consulting relevant legal authority, and in considering the arguments of counsel, the Court renders the following decision.

II. STANDARD OF REVIEW

Concerning the standard of review, Idaho case law has stated,

The applicable standard of review regarding a trial court's factual findings and legal conclusions after a bench trial was explained in *Caldwell Land and Cattle, LLC v. Johnson Thermal Systems, Inc.*:

Review of a trial court's conclusions following a bench trial is limited to ascertaining whether the evidence supports the findings of fact, and whether the findings of fact support the conclusions of law. *Borah v. McCandless*, 147 Idaho 73, 77, 205 P.3d 1209, 1213 (2009) (citing *Benninger v. Derifield*, 142 Idaho 486, 488-89, 129 P.3d 1235, 1237-38 (2006)). This Court will not set aside a trial court's findings of fact unless the findings are clearly erroneous. *Id.* Clear error will not be deemed to exist if the findings are supported by substantial and competent, though conflicting, evidence. *Mortensen v. Berian*, 163 Idaho 47, 50, 408 P.3d 45, 48 (2017) (quoting *Pandrea v. Barrett*, 160 Idaho 165, 171, 369 P.3d 943, 949 (2016)). Substantial and competent evidence exists [i]f there is evidence in the record that a reasonable trier of fact could accept and rely upon in making the factual finding challenged on appeal. *Id.* 165 Idaho 787, 795, 452 P.3d 809, 817 (2019) (internal quotations omitted). On appeal, we exercise free review of the trial court's conclusions of law. *Fox v. Mountain W. Elec., Inc.*, 137 Idaho 703, 707, 52 P.3d 848, 852 (2002).

Radford v. Van Orden, 168 Idaho 287, 298, 483 P.3d 344, 355 (2021), as amended (Mar. 22, 2021).

On a motion for reconsideration, the court must consider any new admissible evidence or authority bearing on the correctness of an interlocutory order. *See PHH Mortg. Servs. Corp. v. Perreira*, 146 Idaho 631, 635, 200 P.3d 1180, 1184 (2009) (citing *Coeur d'Alene Mining Co. v. First Nat'l Bank of N. Idaho*, 118 Idaho 812, 823, 800 P.2d 1026, 1037 (1990) (emphasis added)), *Fragnella v. Petrovich*, 153 Idaho 266, 276, 281 P.3d 103, 113 (2012). "However, the trial court cannot consider new evidence when asked to reconsider a final judgment pursuant to a motion to alter or amend the judgment under Rule 59(e), *id.*, or pursuant to a motion to amend findings of

fact or conclusions of law under Rule 52(b) [.]” *PHH Mortg. Servs. Corp. v. Perreira*, 146 Idaho 631, 635, 200 P.3d 1180, 1184 (2009).

III. ANALYSIS

a. Rule 11.2 Motion for Reconsideration.

Plaintiffs seek reconsideration of two key components of the Court’s FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER: (1) the Court’s decision on the effect of the Master Plan and (2) the dismissal of the claim to quiet title on Holding’s parcel with respect to CC&Rs. The Court will address each in turn.

i. The Master Plan

First, regarding the Master Plan, Plaintiffs argue that the Court should reconsider its June 30, 2023 FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER. Plaintiffs contend that the Court exceeded the scope of the issues before the Court at trial by finding that the Master Plan contained an enforceable interest regarding the subject land because Plaintiffs only prayed for a “declaration from the Court that the First Declaration, Restated Declaration, and the First Amendment do not encumber the Subject Property.”⁵ Defendants argue the Court appropriately considered the Master Plan in its decision after trial because the COMPLAINT sought adjudication on whether the Defendant had any interest in the Subject Property through an action to quiet title. Further, Defendants contend that Plaintiffs cannot reasonably be “surprised” by a ruling on the Master Plan’s effect given that the Master Plan was admitted, over objection, during trial to support Teton Saddleback’s defense to overcome quieting title.

Plaintiffs also argue that the Master Plan is outside the scope of the claim raised before the Court and it was error for the Court to consider and rule on the Master Plan. The Court cannot

5 MEM. ISO MOT. FOR RECONSIDERATION, NEW TRIAL, OR RELIEF FROM JUDGMENT. p. 5.

agree. In requesting this Court to determine that “Defendant has no interest in the Subject Property,” the Court must evaluate the legal effect of any instrument admitted in the record touching upon the subject property. Further, the Defendant raised several affirmative defenses including a claim that the Plaintiffs’ property was subject to restrictions under a theory of equitable servitudes. While the Defense specifically requested the Court find that the CC&Rs bind to the property, the Defense also introduced into evidence the Master Plan, and the Court considered all of the evidence admitted to make legal determinations about what restrictions—if any—run with the land in order to resolve a claim for quiet title that the Plaintiffs raised in a VERIFIED COMPLAINT.⁶

Here, the record shows that the Master Plan, as Teton County Instrument No. 173851, was disclosed as an exhibit Defendant intended to introduce at trial.⁷ Indeed, at trial, Defense moved to admit the Master Plan (Instrument No. 173851). Plaintiffs objected to the exhibit on several grounds, and over objection, the Court admitted the exhibit but limited it to the first three of five pages in “Exhibit B-1”. The Court allowed the Master Plan (Instrument No. 173851) as evidence of a Master Plan that was approved and recorded by Teton County.

Further, the only testifying witness at trial, Steve Wuthrich, offered testimony regarding the Master Plan, and testified that he had received a copy of the Master Plan from the title company when he purchased his lot in Teton Saddleback Vistas.⁸

Upon the evidence introduced at trial, the Court held that the Master Plan established the original owner’s clear and unambiguous intent to create certain restrictions to run with the land and that subsequent purchasers would be bound by the Master Plan, unless otherwise properly

⁶ Notably, the Plaintiff prayed for relief “for any other and further relief as the Court deems just and equitable under the circumstances.” VERIFIED COMPLAINT. p. 5.

⁷ DEF.’S TRIAL EXHIBIT LIST AND EXHIBITS.

⁸ FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER. ¶¶ 14-17.

amended and properly recorded in order to make a ruling on Plaintiffs' request to obtain a declaration "that Defendant ha[d] no interest in the Subject Property."⁹

Upon reconsideration, the Court reviewed several cases, finding that no Idaho case controls and leaves open the determination of the scope of a Master Plan's enforceability and is a question of first impression. However, a case *New Castle County v. Pike Creek Recreational Services, LLC*, 82 A.3d 731 (Del. Ch. 2013) provides persuasive guidance. In *New Castle*, the Court reviewed a Master Plan to determine whether restrictions within the Master Plan were valid and enforceable. Notably, the Court considered interests of third party beneficiaries when ruling on whether restrictions in a recorded Master Plan could bind and run with the land. In its holding the Court acknowledged:

Courts generally favor the free use of land. Clearly, restrictive covenants, such as the ones alleged here, interfere with free use. To mediate the "tension between protecting neighboring property owners' expectations for their community and the rights of landowners to use their property as they may lawfully choose," courts have developed precise rules to govern restrictive covenants. Specifically, "[restrictive covenants] are recognized and enforced ... where the parties' intent is clear and the restrictions are reasonable."

New Castle Cnty. v. Pike Creek Recreational Servs., LLC, 82 A.3d 731, 736 (Del. Ch. 2013), aff'd, 105 A.3d 990 (Del. 2014).

The *New Castle* Court found that a Master Plan can create a valid and enforceable restriction. This Court applies the *New Castle* holding to the instant facts to find that the Defendant does have an interest in the subject land to the extent that the use of the land is in conformity with the Master Plan. Likewise, this Court, in addressing the claim raised by the Plaintiffs seeking a declaration that Defendant has NO interest in the subject land, found that there are certain interests—namely, numbers of lots within the legal description of the land being divided described

⁹ VERIFIED COMPLAINT. p. 5.

on the face of the Master Plan, and preserved open areas, with an expressly stated acreage of 198.14 to be in an open area.¹⁰ What the Master Plan says is as important as what it does not say. The Court made no finding that the Master Plan is a properly surveyed plat map with enforceability as to the lot lines depicted. Nevertheless, the document is clear on its face that within the outer boundaries of the legal description of the land being subdivided, certain limitations on number of lots, average lot size, acres dedicated to roads, and acres preserved as open area were intended to bind and run with the land. Plaintiffs' arguments that this dedication to open space is not clear or is ambiguous is unavailing. Accordingly, the Court declines to reconsider its ruling that the Master Plan, as Instrument No. 173851 has some legal effect precluding granting Plaintiffs' request to quiet title.

Thus, the Court will deny the motion to reconsider its ruling on the Master Plan. The Court found that Vintage II prevails in obtaining a declaration with respect to the CC&Rs but remains subject to the restrictions contained in the Master Plan, Instrument No. 173851. The Court will maintain this result, finding that the Plaintiffs placed the issue squarely before the Court in requesting a decree and order to quiet title. With respect to the Master Plan, the motion for reconsideration is DENIED.

ii. CC&Rs with respect to Holding's property.

Next, Plaintiffs request the Court to reconsider finding that the 2015 Amendment to the CC&Rs applies and binds to Holding's parcel. To support this request, Plaintiffs argue that Holding falls under a Shelter Rule. Further, Plaintiffs argue that the Court had previously ruled at summary judgment that the CC&Rs were void and that no curative effect could resurrect its viability to attach to Holding's parcel.

¹⁰ The Master Plan contains five Area/Unit/Density Tables: one for the overall Master Plan and four tables for each proposed phase. Under the overall Master Plan table, 198.14 acres are to be in "open area."

To support their position, Plaintiffs refer back to the Court's decision on summary judgment. Upon review, this Court agrees that Holding's parcel is not subject to the CC&Rs because they were void when Vintage II acquired the deed to the land Holding eventually received. Stated otherwise, the 2015 Amendment does not cure the CC&Rs to attach them to Holding's parcel, given the earlier adjudication that the First Declaration and the Restated Declaration did not encumber Vintage II's parcels.

Plaintiffs argue that the Court should have applied the Shelter Rule to Holding's property under an alternative theory to evade the CC&Rs.

"The 'Shelter Rule' is a common law doctrine that exists to 'prevent the stagnation of property, and because the first purchaser, being entitled to hold and enjoy, must be equally entitled to sell.'" *Nampa Highway Dist. No. 1 v. Knight*, 166 Idaho 609, 615, 462 P.3d 137, 143 (2020) (quoting *Strekal v. Espe*, 114 P.3d 67, 74 (Colo. App. 2004)). "'The 'Shelter Rule' provides that one who is not a bona fide purchaser, but who takes an interest in property from a bona fide purchaser, may be sheltered in the latter's protective status.'" *Id.* (quoting *Sun Valley Land and Minerals, Inc. v. Burt*, 123 Idaho 862, 868, 853 P.2d 607, 613 (Ct. App. 1993)).

The parties stipulated that Vintage II purchased the entirety of the Subject Property in 2014, before the 2015 Amendment was ratified and recorded. When Holding received 241 acres via Warranty Deed in 2021 from Vintage II, she took what Vintage II had to convey. At trial, no evidence was presented to controvert that Vintage II—and subsequently, Holding were not bona fide purchasers. As such, the Court reconsiders an earlier finding that Holding is bound by the 2015 Amendment to the CC&Rs and finds in favor of Holding to declare that her property is not encumbered by the CC&Rs. Notwithstanding that reconsideration and ruling, the Court nevertheless continues its earlier determination to apply to Holding the same result as Vintage II

with respect to the Master Plan. Because the Court finds that the Master Plan conveys an enforceable interest, Holding, like Vintage II, cannot prevail in quieting title.

Accordingly, with respect to Holding's parcel, the MOTION FOR RECONSIDERATION is GRANTED in part and DENIED in part.

b. I.R.C.P. Rule 59.

As a prefatory comment, the Plaintiffs have not asked this Court to amend or alter its findings under Idaho Rule of Civil Procedure 52; however the Court has considered the request as provided for under Idaho Rule of Civil Procedure 59(a)(3). Based on the foregoing analysis under the Rule 11.2 motion for reconsideration, the Court will grant in part and deny in part Plaintiffs' Rule 59 Motion. Plaintiffs requested the Court hold a new trial under Rule 59 on grounds that it was surprised by the Court's ruling on the Master Plan. The rule states that surprise may be a ground for a new trial which "ordinary prudence could not have guarded against."

Reviewing the record, the Court is not convinced that consideration of the Master Plan came by surprise to Plaintiffs. To the contrary, it was Plaintiffs' counsel who raised the issue during the bench trial, asking the Court to exclude the Master Plan before opening statements. The Court declined to do so. The Court later overruled an objection to the Master Plan when Defense moved to introduce it as evidence. While the Court acknowledges that Plaintiffs may not feel the Master Plan to be appropriately considered, it cannot reasonably be argued to have been a surprise, which ordinary prudence could not have guarded against, to warrant a new trial.

Plaintiffs had the opportunity to object to the evidence, to cross examine the witness Defendants introduced the exhibit through, and make argument to the Court as the finder of fact. Thus, the MOTION FOR A NEW TRIAL is denied; however, given the amended findings of the Court

under I.R.C.P. 59(a)(3), the Court does amend the findings and conclusions from trial as set forth below.

c. Rule 60(b)(1) and Rule 60(b)(6)

The Court's decision to partially grant a Rule 59 motion moots this motion without further analysis. The Judgment will be amended consistent with the findings herein, pursuant to I.R.C.P. 59(e).

IV. CONCLUSION AND ORDER

For the foregoing reasons, the Court will grant in part and deny in part the motion for reconsideration. The Court denies the motion with respect to the Master Plan and any enforceable interest it creates through the clear intent of the original grantor. The Court grants the motion with respect to the enforceability of the CC&Rs on Plaintiff Holding's parcel. Pursuant to Rule 59(a)(3), the Order in the FINDINGS OF FACT AND CONCLUSIONS OF LAW is amended and supplanted as follows:

1. The HOA has valid restrictive covenants as recited in the First Amendment (Instrument No. 239244).
2. The Vintage II Parcels are not validly encumbered by the First Amendment because Vintage II obtained by Warranty Deed the land so described before there were effective restrictive covenants recorded.
3. Vintage II has met its burden to obtain a declaration regarding the non-enforceability of the CC&Rs to the Vintage II Parcel I and Vintage II Parcel II.
4. Vintage II is subject to the dedications and restrictions for use in the Master Plan reduced to Instrument No. 173851 for Teton Saddleback Vistas.

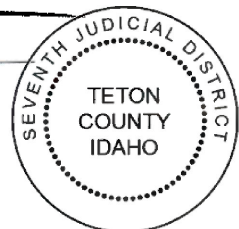
5. Christine Holding has met her burden to obtain a declaration regarding the non-enforceability of the CC&Rs to the Holding Parcel.
6. Christine Holding is subject to the dedications and restrictions for use in the Master Plan reduced to Instrument No. 173851 for Teton Saddleback Vistas.
7. The Correction, recorded as Instrument No. 269853 is void and unenforceable.

Plaintiffs' Rule 59 request for a new trial or request to reopen evidence is DENIED. Plaintiffs' Rule 60 MOTION TO SET ASIDE JUDGMENT is GRANTED in part and DENIED in part consistent with the decision herein.

IT IS SO ORDERED.

Dated this ____ day of October, 2023. 10/20/2023 11:18:42 AM


Alan C. Stephens
District Judge



CERTIFICATE OF SERVICE

I hereby certify that on _____ the foregoing MEMORANDUM DECISION AND ORDER was entered and a true and correct copy was served upon the parties listed below by mailing, with the correct postage thereon, or by causing the same to be delivered to their courthouse boxes.

Parties Served:

Herbert J. Heimerl III
hheimerl@beardstclair.com

Jeffrey D. Brunson
jeff@beardstclair.com

Kathy Spitzer
kathy@spitzerfirm.com

Thomas E. Dvorak
tedservice@givenspursley.com

Matthew E. Libertz
mattlibertz@givenspursley.com

D. Andrew Rawlings
arawlings@holdenlegal.com

Clerk of the District Court
Teton County, Idaho

10/20/2023 1:12:19 PM

by



Deputy Clerk