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Ideal Products, Inc. v. Agmark Foods, Inc.

No. 01A01-9807-CV-00348, 1999 WL 371280 (Tenn. App. 1999)

Lessor of chassis sued the lessee when the lessee refused to pay for the repair costs of the chassis when it was returned to the lessor at the end of the five-year lease. The lessee did not exercise the option in the lease agreement because its cost was based on the fair market value of the chassis, and the lessee found the lessor's appraisal of the fair market value to be excessive. The appellate court held that summary judgment had been improperly granted to the lessor.

There was conflicting evidence as to whether the lessor was acting in good faith because he waited over a year to give the repair bills to the lessee. Also, the lessor sold the chassis for approximately one half the fair market value reported in the appraisal just a few months after the appraisal had been conducted.

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