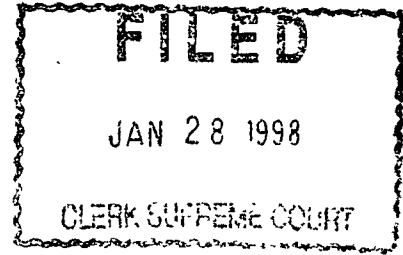


IN THE COURT OF APPEALS OF IOWA

000179

No. 7-582 / 96-1904
Filed January 28, 1998

**GENERAL MACHINE WORKS COMPANY
and EUGENE O. WOOD,**
Appellees,



vs.

**DENNIS E. HAHN, SR. d/b/a
HAHN ROOFING CO.,**
Appellant,

and

CONKLIN COMPANY, INC.,
Defendant.

Appeal from the Iowa District Court for Clay County, Patrick M. Carr, Judge.

Defendant appeals from a breach of warranty action. **AFFIRMED.**

Donald J. Hemphill of Hemphill Law Office, Spencer, for appellant.

Michael R. Bovee of Montgomery, Barry & Bovee, Spencer, for appellees.

Heard by Huitink, P.J., and Vogel and Mahan, JJ. Sackett, J., takes no part.

HUITINK, P.J.

Dennis Hahn appeals from the district court's judgment awarding Eugene Wood damages in a breach of contract and warranty dispute. We affirm.

I. Background Facts and Proceedings.

Wood owns a commercial building which is leased to General Machine Works Co. In June 1987, Wood accepted Hahn's proposal to install a new roof on this building for \$21,500. Hahn's proposal included an express ten-year one hundred percent warranty on product and labor following completion of his work and full payment. After the roof was installed Wood received a written warranty in a form used by Conklin Company incorporating the terms of Hahn's warranty.

One year after the roof was installed it began leaking. Hahn made numerous repairs without cost to Wood from 1988 through January 1995. In January 1995, the leaks were so substantial that General Machine Works' business operations were disrupted. Hahn again made temporary repairs to the roof but deferred permanent repairs until weather conditions improved in the Spring.

Wood demanded Hahn replace the roof or pay the cost of replacement by another contractor. Hahn offered to replace the roof at a cost of \$10,192. Wood rejected this offer in part because it was premised on retaining existing roof insulation.

After Hahn and Wood failed to reach an agreement, Wood retained H & S Roofing to replace the roof and repair its underlying deck at a cost of \$23,048.59.

Wood and General Machine Works then sued Hahn for the cost of the replacement roof and economic losses resulting from interruption of business operations.

The district court awarded Wood \$13,867.79, the actual cost of the replacement roof reduced by a factor of forty percent due to the increased twenty-year useful life of the new roof, plus \$96.59, the cost of the deck repair. The court also awarded General Machine Works \$2300 for losses incidental to interruption of its business.

On appeal Hahn contends the district court's award of damages should have been limited to the cost of repairs rather than the cost of a new roof. He alternatively argues that the amount awarded for the cost of a new roof was incorrectly computed by the district court. Hahn does not dispute the damages awarded to General Machine Works.

II. Standard of Review.

The case was tried as an action at law. We review on assigned error only. Iowa R. App. P. 4. Findings of fact in a law action are binding on us if supported by substantial evidence. Iowa R. App. P. 14(f)(1). We construe the trial court's findings broadly and liberally. *Grinnell Mut. Reins. Co. v. Voeltz*, 431 N.W.2d 783, 785 (Iowa 1988). In case of doubt or ambiguity we construe the findings to uphold, rather than defeat, the district court's judgment. *Id.* We are prohibited from weighing the evidence or the credibility of the witnesses. *Id.*

A finding of fact is supported by substantial evidence if the finding may be reasonably inferred from the evidence. In evaluating sufficiency of the evidence, we view it in its light most favorable to sustaining the court's judgment. We need only consider evidence favorable to the judgment, whether or not it was contradicted.

Briggs Transp. Co. v. Starr Sales Co., 262 N.W.2d 805, 808 (Iowa 1978).

III. Damages.

“In defective construction cases, damages may include diminution in value, cost of construction of completion as required under the contract, or loss of rentals. As a general rule, the cost of correcting the defects or completing the omissions is the proper measure.” *Service Unlimited, Inc. v. Elder*, 542 N.W.2d 855, 857 (Iowa App. 1995) (citations omitted).

The district court found the roof could not be repaired as Hahn testified. The record includes substantial evidence supporting this finding of fact. Gerry Handy, the owner of H & S Roofing, testified seventy to eighty percent of the roof insulation was saturated with water and needed to be replaced. Brad Kooiker, Hahn's witness, acknowledged the necessity of a replacement roof under these circumstances. The price differential between Hahn's cost of replacement with new insulation (\$22,480) and that Wood paid H & S (\$23,048.59) supports the district court's conclusion that the cost of repairs was reasonable. The district court correctly rejected the notion that a replacement roof was unnecessary or the price Wood paid for a new roof was unreasonable.

Hahn also takes issue with the district court's computation of damages. He cites the lack of evidentiary support for the conclusion that the H & S roof had a twenty-year life rather than the ten-year life he claims. We find Handy's testimony that the roof material installed for Wood in 1995 was warranted for twenty years sufficiently supports the district court's findings and validates its calculation of Wood's damages. We also reject Hahn's argument that the cost of replacement must be pro-rated because eight of his original ten-year warranty period had expired. This assertion was contradicted by the express one hundred percent warranty terms and the testimony of Conklin officials indicating the warranty form Hahn used was not a pro-rated warranty.

We have considered all of Hahn's appellate contentions and find them to be without merit. The judgment of the district court is affirmed.

AFFIRMED.