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**STATE OF MINNESOTA
IN COURT OF APPEALS
A19-0552**

Daniel D. Oberpriller, et al.,
Appellants,

vs.

Nick Walton, et al.,
Respondents.

**Filed December 23, 2019
Affirmed
Slieter, Judge**

Hennepin County District Court
File No. 27-CV-18-4299

Christopher J. Haugen, John Harper III, Messerli & Kramer P.A., Minneapolis, Minnesota
(for appellants)

Eric A. Bartsch, Andrew J. Pieper, Emily C. Atmore, Stoel Rives LLP, Minneapolis,
Minnesota (for respondents)

Considered and decided by Larkin, Presiding Judge; Reyes, Judge; and Slieter,
Judge.

UNPUBLISHED OPINION

SLIETER, Judge

Appellants Daniel Oberpriller and his businesses challenge the district court's dismissal of this action against respondents Nick Walton and his businesses by enforcing an agreement which included a term dismissing the action. The parties' agreement

unambiguously included the essential terms of a settlement and, *inter alia*, an agreement to immediately dismiss the underlying lawsuit. Though the parties' agreement also included an obligation to continue further negotiations, this provision does not detract from its enforceability. Therefore, we affirm the district court's order enforcing the agreement and dismissing the action.

FACTS

Oberpriller and Walton have been acquainted for more than twenty years and each own shares in College Property Management, LLC, and CPM Development, LLC. As of December 2017, Oberpriller and Walton agreed to take cooperative steps to dissolve and unwind their business ventures. As part of the unwinding process, the parties each created new companies to take over the work of College Property Management and CPM Development.

In March 2018, Oberpriller filed a complaint in district court alleging claims against Walton personally and his businesses. Walton answered and filed counterclaims against Oberpriller personally and against his businesses.

On June 21, 2018, Oberpriller and Walton engaged in a settlement negotiation. Both parties were represented by counsel. Following their negotiation, the parties created and executed personally and on behalf of their businesses an agreement titled "Binding Terms Sheet" (BTS). The BTS is six pages and contains 43 paragraphs that address matters involving real estate properties, business interests, payments to be made, and other related matters. Among these terms, the parties agreed that their agreement was effective

immediately upon execution and each party is fully released from all claims raised in this lawsuit and that the lawsuit is to be immediately dismissed. Relevant excerpts follow:

Daniel D. Oberpriller (“Dan”), North Bay Companies LLC, North Bay Development LLC (collectively, “Dan”) and Nicholas J. Walton, Reuter Walton Development, LLC, Reuter Walton Commercial, LLC, and Reuter Walton Construction, Inc. (collectively, “Nick”), in connection with the unwinding of their joint ownership interests in various legal entities and parcels of real estate, hereby agree, with the intent that the *agreements set forth herein be binding and effective on June 21, 2018 (the “Effective Date”)*:

....

H. Except for the obligations set forth herein, Dan Oberpriller, North Bay Companies, LLC, North Bay Development LLC, together with their affiliates and others under their control, hereby release and forever discharge Nick Walton, Reuter Walton Construction, Inc., Reuter Walton Commercial, LLC, Reuter Walton Development, LLC, and their agents, principals, affiliates, employees, attorneys, accountants, and consultants, from any and all claims, known or unknown, from the beginning of time through the date of this agreement, including the claims stated, or that could have been stated, in the lawsuit *Daniel D. Oberpriller, North Bay Companies, LLC, North Bay Development, LLC v. Nick Walton, Reuter Walton Commercial, LLC, Reuter Walton Construction, Inc. and Reuter Walton Development, LLC*, Hennepin County District Court File No. 27-CV-18-4299.

I. Except for the obligations set forth herein, Nick Walton, Reuter Walton Commercial, LLC, Reuter Walton Construction, Inc. and Reuter Walton Development, LLC, together with their affiliates and others under their control, hereby release and discharge Daniel Oberpriller, North Bay Companies, LLC, North Bay Development, LLC, and their agents, principals, affiliates, employees, attorneys, accountants, and consultants, from any and all claims, known or unknown, from the beginning of time through the date of this agreement, including the claims stated, or that could have been stated, in the lawsuit *Daniel D.*

Oberpriller, North Bay Companies, LLC, North Bay Development, LLC v. Nick Walton, Reuter Walton Commercial, LLC, Reuter Walton Construction, Inc. and Reuter Walton Development, LLC, Hennepin County District Court File No. 27-CV-18-4299.

- J. The parties to the action *Daniel D. Oberpriller, North Bay Companies, LLC, North Bay Development, LLC v. Nick Walton, Reuter Walton Commercial, LLC, Reuter Walton Construction, Inc. and Reuter Walton Development, LLC*, Hennepin County District Court File No. 27-CV-18-4299 (the “Action”) hereby stipulate and agree to immediately dismiss the action with prejudice, without costs or attorneys fees to any party.

Within five (5) days of the Effective Date, the parties will negotiate, in good faith, the terms and conditions of a settlement agreement, which will contain customary and reasonable provisions, including confidentiality, non-disparagement, and mutual releases of all claims as well as those terms set forth above.

(First emphasis added.) Walton wrote a check to Oberpriller for \$127,786—as directed by one of the terms from the BTS—the day the BTS was signed, and the parties began to take all necessary steps to execute all other BTS terms.

Following execution of this agreement, Walton’s counsel informed the district court, with a copy to Oberpriller’s counsel, that the parties “achieved a settlement” that would resolve the litigation and they were “continuing to prepare a final settlement agreement, and, following its approval and execution, the parties will submit a stipulation and proposed order of dismissal of this matter.” However, the parties were not successful in completing a subsequent settlement agreement. The parties began negotiating formation of a long-form settlement and additional clarifying terms for the BTS.

Approximately four months after executing the BTS, Walton moved the district court to enforce the BTS and to dismiss the action. Oberpriller objected to the motion because, in his view, the parties did not reach a “final agreement on the essential and material terms” of settlement. Oberpriller asserted that, despite the execution of the BTS, the parties failed to reach a complete settlement.

The district court rejected Oberpriller’s interpretation that the BTS was not an enforceable agreement. Although Oberpriller identified ongoing discussions between the parties, the district court rejected this as a basis to find the agreement unenforceable. The district court explained:

[T]he [BTS] unambiguously contains all the essential terms of a settlement agreement: a mutual offer of settlement, acceptance by the parties as demonstrated by Mr. Oberpriller’s and Mr. Walton’s signatures, and the consideration provided in the form of payments and distribution of assets provided in paragraphs 1-43 of the agreement. . . . The [BTS] does not state that dismissal of the action is contingent on the parties’ negotiation and resolution of additional terms. The parties have apparently negotiated additional issues after the [BTS] was executed. . . . However, the unambiguous language of the [BTS] shows that the parties’ intent was for the assets to be distributed according to the stated terms, for the parties to be bound to the duties of performance contained in the agreement, and for the lawsuit to be immediately dismissed with prejudice.

Based on this reasoning, the district court enforced the BTS as a settlement agreement and dismissed the action. This appeal follows.

D E C I S I O N

“A settlement agreement is a contract, and the court examines the language of the agreement to determine the intent of the parties.” *See Curtis v. Altria Grp., Inc.*,

813 N.W.2d 891, 901 (Minn. 2012). “When the language is clear and unambiguous, we enforce the agreement of the parties as expressed in the language of the contract.” See *Dykes v. Sukup Mfg. Co.*, 781 N.W.2d 578, 582 (Minn. 2010). “Whether a contract is ambiguous is a question of law that [appellate courts] review de novo.” See *id.* Whether a district court decides to grant a motion to enforce a settlement agreement, appellate courts review such a decision under an abuse-of-discretion standard. See, e.g., *Johnson v. St. Paul Ins. Co.*, 305 N.W.2d 571, 573-74 (Minn. 1981); *Snesrud v. Elbers*, 374 N.W.2d 830, 832 (Minn. App. 1985), review denied (Minn. Dec. 19, 1985); see also *Voicestream Minneapolis, Inc. v. RPC Props., Inc.*, 743 N.W.2d 267, 272 (Minn. 2008) (“[District] courts have[] the inherent power to summarily enforce a settlement agreement as a matter of law when the terms of the agreement are clear and unambiguous.”) (second alteration in original) (quotations omitted).

“To constitute a full and enforceable settlement, there must be such a definite offer and acceptance that it can be said that there has been a meeting of the minds on the essential terms of the agreement.” *Jallen v. Agre*, 119 N.W.2d 739, 743 (Minn. 1963) (footnote omitted). Minnesota courts assess these formational elements under an objective analysis. *Hill v. Okay Constr. Co.*, 252 N.W.2d 107, 114 (Minn. 1977) (“The test of contractual formation is an objective one, to be judged by the words and actions of the parties and not by their subjective mental intent.”).

It is a fundamental rule of law that an alleged contract which is so vague, indefinite, and uncertain as to place the meaning and intent of the parties in the realm of speculation is void and unenforceable. Consequently, where substantial and necessary terms are specifically left open for future negotiation, the

purported contract is fatally defective. On the other hand, the law does not favor the destruction of contracts because of indefiniteness, and if the terms can be reasonably ascertained in a manner prescribed in the writing, the contract will be enforced.

King v. Dalton Motors, Inc., 109 N.W.2d 51, 52-53 (Minn. 1961) (footnotes omitted).

When a contract is formed, “[t]he cardinal purpose of construing a contract is to give effect to the intention of the parties as expressed in the language they used in drafting the whole contract.” *Art Goebel, Inc. v. N. Suburban Agencies*, 567 N.W.2d 511, 515 (Minn. 1997). We ascertain intent “not by a process of dissection in which words or phrases are isolated from their context, but rather from a process of synthesis in which the words and phrases are given a meaning in accordance with the obvious purpose of the . . . contract as a whole.” *See Republic Nat. Life Ins. Co. v. Lorraine Realty Corp.*, 279 N.W.2d 349, 354 (Minn. 1979) (alteration in original) (quotation omitted).

The parties dispute whether the agreement constitutes a settlement which allows for the dismissal of the underlying action. We begin with the language of the BTS.

Pursuant to the BTS, the parties agreed to unwind their business relationships. Each party assumed particular obligations including: making a payment on the date of executing the BTS, dividing shares of business interests, and establishing prices for the sale of multiple investment properties. The parties provided that the BTS would be immediately effective upon their signatures and the agreement waived any claims that could be raised in the action except for those obligations identified in the BTS. In addition to this waiver, the parties affirmed the term that they “stipulate[d] and agree[d] to immediately dismiss the action with prejudice, without costs or attorneys fees to any party.” After executing

the document, Walton provided a payment to Oberpriller to complete part of his obligations under the BTS.

Oberpriller frames the BTS as simply “a partial agreement,” which is not yet enforceable, though he does acknowledge “[i]t was a significant” step for the parties. We do not agree with Oberpriller’s assertion that the BTS provision requiring the parties to negotiate within five days from executing the BTS means that the BTS is unenforceable. The BTS states, “Within five (5) days of the Effective Date, the parties will negotiate, in good faith, the terms and conditions of a settlement agreement, which will contain customary and reasonable provisions, including confidentiality, non-disparagement, and mutual releases of all claims as well as those terms set forth above.” This language or any other language in the BTS does not suggest the enforceability of the contract is conditioned upon subsequent action. *See Asbestos Prods., Inc. v. Healy Mech. Contractors, Inc.*, 235 N.W.2d 807, 809 (Minn. 1975) (“When contracting parties make the reduction of their agreement to writing and its signature by them a condition precedent to its completion, there will be no contract until that is done, and this is true although all the terms have been agreed upon.”); *see also Lake Co. v. Molan*, 131 N.W.2d 734, 740 (Minn. 1964) (“A condition precedent, as known in the law, is one which is to be performed before the agreement of the parties becomes operative.”) (quotation omitted). Because there exists no condition precedent in the BTS and it is immediately effective, the district court properly exercised its discretion by granting enforcement of it. “[W]here the parties have assented to *all the essential terms of the contract and proceed to perform in reliance upon it*, the

mere reference to a future contract in writing will not negative the existence of the present, binding contract.” *Asbestos Prods.*, 235 N.W.2d at 809 (emphasis added).

Oberpriller’s claims on appeal also rely on parol evidence, which appellate courts do not address unless the contract is susceptible to different reasonable interpretations. *See Dykes*, 781 N.W.2d at 582. Oberpriller argues that, separate from the language regarding future negotiations, evidence of the parties’ actions to discuss a long-form agreement makes the BTS unenforceable. We conclude that the unambiguous language of the agreement forecloses consideration of the parol evidence. *See id.* (“When the language is clear and unambiguous, [appellate courts] enforce the agreement of the parties *as expressed in the language of the contract.*”) (emphasis added). Oberpriller contends that although the BTS includes language “that imbued it with a sense of finality, the parties’ (and their respective counsels’) action after the date the BTS was signed indicate that neither side viewed the case as settled.” Because the language is unambiguous that the parties agreed to dismiss this action in accordance to the terms of their agreement, we cannot consider their subsequent conduct. The district court properly determined that the BTS is unambiguous, and it is therefore not appropriate to consider parol evidence.

The district court’s decision to enforce the terms of the BTS and dismiss this action conforms to the unambiguous language of the contract that the parties executed and was not an abuse of discretion. *See Voicestream*, 743 N.W.2d at 272.

Affirmed.