STATE OF MINNESOTA
IN COURT OF APPEALS
A22-0331

Kevin Bruntlett,
Appellant,

vs.

Evelyn Bruntlett,
Respondent.

Filed January 3, 2023
Affirmed in part, reversed in part, and remanded
Ross, Judge

Meeker County District Court
File No. 47-CV-19-1035

David T. Johnson, Amundson, Johnson & Schrader, P.A., Paynesville, Minnesota (for appellant)

Jonathan M. Bye, Ballard Spahr LLP, Minneapolis, Minnesota; and

Tarell A. Friedley, Tarell A. Friedley P.A., Apple Valley, Minnesota (for respondent)

Considered and decided by Ross, Presiding Judge; Frisch, Judge; and Cleary, Judge.*

* Retired judge of the Minnesota Court of Appeals, serving by appointment pursuant to Minn. Const. art. VI, § 10.

NONPRECEDENTIAL OPINION

ROSS, Judge

Kevin Bruntlett and his mother Evelyn Bruntlett executed an agreement giving Kevin the option to purchase the family farm from Evelyn for $200,000. After nearly four decades, Kevin's attorney sent Evelyn a letter asserting that Kevin had already paid the $200,000 purchase price in full, mostly through his labor, and asking Evelyn to sign the property over to Kevin. After trial on the quiet-title action that followed, the district court rejected Kevin's argument that the attorney's letter effectively exercised the purchase option, and it barred Kevin from ever exercising the option on the equitable ground of laches. On Kevin's appeal from that decision, we hold that the evidence supports the district court's decision that the letter did not exercise the contracted option to purchase and therefore did not require Evelyn to convey the property to him. But because the option agreement gave Kevin a lifetime to exercise the option and the district court misapplied the law and clearly erred in fact findings bearing on its equity-based decision prohibiting Kevin from ever exercising his right to purchase, we hold that the district court abused its discretion in applying laches to void the option agreement. We also hold that the district court erred by deeming the contract revoked. We therefore affirm in part, reverse in part, and remand.

FACTS

The seeds to this intrafamilial dispute over farmland were planted in 1982. Evelyn and Dale Bruntlett owned a 440-acre farm where they maintained crops and livestock and raised their four children—Kevin, Craig, Kimberly, and Heidi. Dale died unexpectedly in

May 1982. Kevin agreed to help Evelyn manage the farm, and, in exchange, Evelyn agreed that Kevin could eventually purchase the farm at a predetermined price. So in August 1982, Kevin and Evelyn entered into an option-to-purchase agreement. The agreement gave Kevin the option to purchase the farm for $200,000. Kevin would have to pay $25,000 down and then pay the balance at $5,000 annually at a 9% interest rate. The option agreement bound Evelyn and her heirs to sell the farm to Kevin, but only Kevin (and not his successors) could exercise the purchase option. The agreement also prohibited Evelyn from conveying any of the land or encumbering it with long-term leases.

Despite the contract's conveyance restriction, Evelyn conveyed and leased some of the property in the years that followed. She conveyed about a quarter of the farm to Kevin, partly by gift in 1983 and 2006 and partly by sale for $70,000 on a contract for deed in 1993. She also conveyed 14.1 acres to Kevin's son in 2006 and 2015, and later, when she moved from the farm into an assisted-living facility, she sold to a nonfamily member the two acres that included the house. Evelyn also leased the property for farming and mortgaged it. Evelyn retains 310.6 acres of the 440-acre parcel.

Through the years after executing the option agreement, Evelyn occasionally wrote notes to her children that, among other things, indicated that she had made plans to pass the farm to all four of them on her death. Her will devised all her property to her four children "to share and share alike," without specifically referencing the farmland. Evelyn's health began to deteriorate around 2016, and the family met that year to discuss her care and the farm's future. Evelyn's attorney drafted a transfer-on-death deed, which would convey to each child an undivided, one-fourth interest in the farm on Evelyn's demise. The

family gathered again in 2017 to plan Evelyn's move to an assisted-living facility because she had been diagnosed with dementia. Kevin did not mention the option contract to his siblings at any time, and neither did Evelyn.

Kevin's lawyer sent Evelyn a letter—the flashpoint of this dispute—in July 2019. By then, Evelyn did not understand the circumstances, and her daughters Heidi Bruntlett and Kimberly Hough were acting with power of attorney for her. The letter asserted that Kevin was exercising his option to purchase the farm and that he had already met the $200,000 purchase price by his labor contributing to the farm's upkeep and rental management and his contract-for-deed purchase. The letter ended asking Evelyn to "let me know if you are willing to sign the property over to Kevin at this time" and announcing that Kevin intends to allow the siblings "access to the farm whenever they want."

Kimberly and Heidi refused to convey the farm to Kevin, and Kevin sued Evelyn, alleging that she breached the option agreement by failing to convey the farm after his lawyer's letter exercised his option to purchase it. Evelyn asked the district court not only to reject Kevin's claim but to enter a judgment declaring the option agreement invalid. Evelyn raised laches as an affirmative defense. The district court conducted a bench trial. It found that Kevin had not effectively exercised his option and that the doctrine of laches barred any future attempts to exercise it. The district court also concluded that the option agreement was revocable because it was improperly perpetual in duration, and it found that Evelyn had revoked it by expressing that the farm would belong to all four children.

This appeal follows.

DECISION

Kevin challenges the district court's judgment favoring Evelyn. He contends that the district court erroneously found that his July 2019 letter failed to qualify as exercising his right to purchase the farm. Assuming that finding was error, he also maintains that the district court wrongly failed to order Evelyn to specifically perform under the contract and convey the farm to him, wrongly failed to reduce the purchase-option price by the amount he already paid for part of the property, and wrongly failed to award him rental income the farm received after he asserted his ownership interest in 2019. He also argues that the district court abused its discretion by applying the doctrine of laches to invalidate the option contract and erred by alternatively deeming the contract revoked. For the following reasons, we reject all arguments arising from Kevin's claim that his July 2019 letter exercised his right to purchase the farm, reverse the district court's laches and revocation holdings, and remand for the district court to amend the judgment.

I

Kevin challenges the district court's finding that his July 2019 letter through his lawyer does not constitute the exercise of his option to purchase the farm. An option to purchase is a "unilateral undertaking" to keep an offer open, and exercising the option constitutes the acceptance of the offer and forms a contract to purchase. *Abrahamson v. Abrahamson*, 613 N.W.2d 418, 423 (Minn. App. 2000). Whether a contract exists is generally an issue for the fact-finder. *Id.* at 421. The district court here acted as fact-finder, and we review its findings of fact for clear error. *Fletcher v. St. Paul Pioneer Press*, 589

N.W.2d 96, 101 (Minn. 1999). The district court's implicit finding that no purchase contract formed here is not clearly erroneous.

The district court did not clearly err by finding that Kevin did not exercise his option to purchase by virtue of his lawyer's 2019 letter. The exercise of a purchase option constitutes the acceptance of an offer only if the act that purportedly exercises the option complies exactly with the requirements of the offer. *Abrahamson*, 613 N.W.2d at 423. If it does not, it is merely a counteroffer. *Id.* The district court reasoned that Kevin did not exercise the option by having the letter sent because his purported acceptance did not mirror the requirements of the option contract. This is certainly so. Rather than providing "written notice of his intention to exercise [the] Option to Purchase" the farm for $200,000 as the contract requires, the letter instead simply declared that "Kevin has already met his obligation to pay $200,000" for the farm. The letter was not Kevin's acceptance of the opportunity to become the farm's owner but his assertion that he was already the owner, entitled to the deed to confirm his ownership interest: "Please let me know if you are willing to sign the property over to Kevin at this time." The option contract provides that Kevin must pay $25,000 as a down payment to purchase the land, followed by his paying $5,000 annually with a 9% interest rate on the $175,000 balance. In contrast to the cash payments required by the contract, the letter asserted that fees that Evelyn owed Kevin for his "labor and [unspecified] materials" toward farm "maintenance and improvements" (labor fees that Kevin calculated unilaterally) had already covered most of the farm cost. It asserted too that Kevin's $70,000 purchase price for part of the land through his 1993 contract for deed must also be applied toward his purchase on the option contract. The letter included terms

that simply did not remotely resemble the terms of the option contract. The evidence readily supports the district court's finding that the letter did not exercise the option.

We are not persuaded otherwise by Kevin's argument that he could exercise the purchase option without tendering the payment outlined in the contract, on account of futility. For this he relies on the 2019 letter's statement that he "wishes to exercise his option to purchase your remaining land" and his assertion that the district court should have found that Heidi and Kimberly "refused to honor his request to exercise the Option Contract and did not transfer the property to him upon request." It is true that a party might obtain a judgment for specific performance without having provided agreement-conforming tender before suing for breach if "the record clearly establishes that a tender would have been refused in any event." *Gassert v. Anderson*, 276 N.W. 808, 812 (Minn. 1937); *see also Morgan v. Ibberson*, 10 N.W.2d 222, 223 (Minn. 1943) ("It is clear . . . that a tender would have been refused. A tender is unnecessary where it would be an idle ceremony."). But neither *Gassert* nor *Morgan* supports Kevin's contention because, again, his attorney's letter cannot reasonably be read as a request to exercise the option as the option had been framed in the agreement. Although the letter began by proclaiming that Kevin "wishes to exercise his option to purchase" and referred to the option agreement, it immediately shifted to declare that he had already purchased the farm and merely expected Evelyn to deliver the deed to him. Had the letter instead stated that Kevin was exercising his purchase option and would fulfill his payment obligations as stated in the agreement, this case might resemble *Gassert*. But that is not how Kevin made his "request."

Because the record supports the district court's conclusion that the 2019 attorney letter did not exercise Kevin's purchase option, we affirm that part of the decision. We therefore do not reach Kevin's dependent arguments that the district court erroneously failed to order specific performance, failed to apply his contract-for-deed payment to reduce the purchase price, and failed to award him the rental income the property drew after the letter.

II

We turn to the district court's holding that Kevin is barred from ever exercising the purchase option on equitable grounds. We believe that Kevin correctly argues that the district court improperly applied the doctrine of laches to bar him from exercising his option prospectively. Laches applies when a party has so unreasonably delayed asserting a known right that it would be inequitable to grant the relief that the right would otherwise afford him. *Harr v. City of Edina*, 541 N.W.2d 603, 606 (Minn. App. 1996). The doctrine arises from equity and works to prevent "one who has not been diligent in asserting a known right from recovering at the expense of one who has been prejudiced by the delay." *Aronovitch v. Levy*, 56 N.W.2d 570, 574 (Minn. 1953). We review the application of the doctrine of laches for an abuse of discretion. *Opp v. LaBine*, 516 N.W.2d 193, 196 (Minn. App. 1994), *rev. denied* (Minn. Aug. 24, 1994). An abuse of discretion occurs when the district court misapplies the law or relies on clearly erroneous fact findings. *Gams v. Houghton*, 884 N.W.2d 611, 620 (Minn. 2016). For reasons that follow, we hold that errors in the district court's analysis undermine its application of the laches doctrine.

The district court applied the doctrine of laches under alternative theories. The first is no longer relevant based on our agreement with the district court about the 2019 letter, and we do not believe the second theory is sufficiently supported.

The district court's first theory applying laches regards Kevin's purported 2019 exercise of the option, which Kevin based on his having supposedly prepaid for the farm through his prior labor and land purchase. The district court reasoned that, if Kevin had truly prepaid in 1993, his delay until 2019 in claiming ownership constituted an unreasonable delay. Although this might be so, we do not address the district court's first laches theory because we have already held that the district court correctly concluded that the 2019 letter asserting ownership did not effectively trigger Kevin's option to purchase.

The district court's second theory applying laches resulted in its declaration that the doctrine bars Kevin from ever exercising the option. We cannot adopt the district court's reasoning. It initially stated only, "The doctrine of Laches also prohibits any future exercise of the Option Contract by Kevin." After Kevin challenged the district court to explain this holding in amended findings, the court elaborated and provided three bases for its decision, saying, "Kevin still delayed in bringing the claims for litigation, he sat on his knowledge of his rights, and he failed to exercise his rights in the contract which have become a significant burden on Evelyn's future financial well-being." After careful review, we conclude that these findings are either inconsistent with the evidence or fail as a matter of law to support a prospective, laches-based bar to Kevin's exercising the option.

The finding that Kevin "delayed in bringing the claims for litigation" has two fundamental problems, one bearing on the notion of "delay" and the other on the notion of

"claims for litigation." A delay can implicate laches only if it was unreasonable and prejudiced the other contracting party. The nature of the right here as framed by the option agreement does not support the district court's implied premise that Kevin delayed unreasonably, if at all. The agreement not only afforded Kevin the right to initiate the purchase at any time during his life, it also expressly contemplated that this right extended even beyond Evelyn's life, as it authorized Kevin to initiate a purchase not just from Evelyn but also from her heirs. In the context of the potentially lengthy period reflected in the contract terms, Kevin's waiting even decades to exercise the option would not constitute an unreasonable delay.

As for Kevin's having not initiated litigation sooner, the option contract outlines the process for Kevin's exercising the right, a process that does not contemplate him beginning a lawsuit. It is possible, as Evelyn argues, that Kevin might have opted to challenge her long-term leases and conveyances as breaches of contract and triggered litigation to address them. But a lawsuit focused on Evelyn's alleged breaches would not have initiated Kevin's option to purchase. And Kevin chose not to treat her conveyances as breaches at all, instead consenting and twice contemporaneously executing and recording releases to expressly authorize the conveyances while highlighting his ongoing option-to-purchase right. We also observe that Evelyn's reasoning conflicts with the linchpin of the equitable doctrine: fairness. It is axiomatic that "[s]he who seeks equity must do equity, and that [s]he who comes into equity must come with clean hands." *Johnson v. Freberg*, 228 N.W. 159, 160 (Minn. 1929). Evelyn does not identify any authority to support the incongruous notion that the equitable doctrine of laches applies to strip a nonbreaching party of his contract

rights because of his opposing party's multiple breaches. We conclude that the district court's reasoning that laches terminates Kevin's option right because he "delayed in bringing the claims for litigation" lacks legal and factual support.

The finding that Kevin "sat on his knowledge of his rights" also does not implicate the doctrine of laches. The district court highlighted various moments when Kevin could have, but did not, personally disclose the option agreement to his siblings, concluding that "he was hiding the Option Contract" from them. The district court's rationale lacks legal and factual support. As a matter of law, Kevin's right to exercise the option did not depend on his informing his siblings or anyone else that he possessed the right. Neither the district court's order nor Evelyn identifies any contract provision conditioning the right on nonparties' gaining personal knowledge that the agreement exists, and we see none. Kevin's choice not to discuss the agreement with his siblings is not the sort of unfair act or unjust omission intuitively associated with equity-based judicial restrictions on contracted rights and duties. Even if it were, we do not see why Evelyn—as the other contracting party who made the same choice not to reveal the agreement to her other children—should, based on fairness, prevail to extinguish Kevin's contractual right to purchase. We can imagine legitimate, well-intentioned reasons why Evelyn and Kevin separately might have chosen not to personally share the agreement with their family members.

And as a matter of fact, Kevin publicly disclosed the existence of the option agreement three times—first when he duly recorded the agreement in 1982, second when he recorded his express consent to Evelyn's transfer of development rights to Kevin's son in 2006, and third when he recorded his quitclaim deed expressly releasing any option-

contract rights he might have to the portion that Evelyn sold in 2018. These releases contradict the finding that Kevin "was hiding" the agreement. His 2006 release openly declares that "Evelyn R. Bruntlett granted to Kevin L. Bruntlett an Option to Purchase" the land being conveyed to Kevin's son, and it provides the date and recording number of the 1982 option agreement. His 2018 release similarly declares that the property being conveyed is part of "that certain Option to Purchase Agreement, dated August 15, 1982," and it too identifies the date and recording number of the 1982 agreement. Kevin (or Evelyn) could have personally informed the siblings about Kevin's contract with Evelyn, but Kevin repeatedly afforded them and all others constructive notice that it existed. The characterization that Kevin "sat on his knowledge of his rights" under the option agreement cannot justify extinguishing those rights through laches.

We are also unconvinced by the finding that the timing of Kevin's reliance on his option-to-purchase right became "a significant burden on Evelyn's future financial well-being." We read this finding as an implicit holding that Kevin's purportedly unreasonable delay prejudiced Evelyn, but the finding is not supported. The district court based the finding on the fact that Evelyn had recently moved into an assisted-living facility and required funds for her care. But the district court did not identify, and no party cites, any evidence that reveals either the amount of financial support Evelyn required or any lack in her means to achieve it. When rejecting Kevin's claim that he had already purchased the farm so as to owe Evelyn nothing, the district court found that Evelyn "may be disadvantaged in her care or her future could be unknown," elaborating, "To require a conveyance with no current purchase price paid by Kevin could cause her an extreme

hardship and, possibly, impact her drastically for care and housing." The district court included no finding as to Evelyn's means generally, nor any finding of the specific means she would have if Kevin were to properly exercise the option and pay Evelyn under the contract terms. We therefore cannot assess the merits of the district court's stated concern about Evelyn's financial burden. The district court also seems to have conflated the *timing* of Kevin's exercising the option with his simply *exercising* the option at any time. That is, a purchase by Kevin and Evelyn's consequent loss of farm revenue would have, as far as the record indicates, burdened Evelyn financially regardless of when the purchase occurred. The purported delay therefore did not itself cause any hardship. And as Kevin pointed out to the district court, the longer he waited to exercise the option, the longer Evelyn had the benefit of living on the farm and receiving revenue from its operation. He also expressly released his interest in the two acres and house that Evelyn sold for $165,000. The findings do not compare the potential financial benefit the delay afforded Evelyn to any financial harm it might have caused. Because the hardship finding is itself not supported, the finding cannot support the laches decision.

The district court's overriding concern in applying laches appears to have been the seeming incompatibility between the ongoing nature of Kevin's option to purchase the farm and Evelyn's occasional notes to all four of her children stating that she was leaving the farm in all their names. The concern about the apparent incompatibility is commendable, but the notes are not actually incompatible with the purchase option. Evelyn's statements about the children's eventual shared ownership did not necessarily suggest that she no longer recognized Kevin's option. The statements were compatible with

Kevin's option because she wrote them while she retained ownership, aware that Kevin had not yet availed himself and might never avail himself of his right to purchase. The district court also appeared reasonably troubled by Kevin's attempt to elevate his already-favorable land deal into a land steal. Indeed, the attorney's 2019 letter—which reflected Kevin's attempt to take the farm for free and leave his mother and siblings with nothing in return—seems to have established the tone for the consequent dispute. We understand why the district court characterized many of Kevin's representations as "suspect" and "self-serving" in his effort to capture the farm without paying any of the agreed-upon $200,000, a price that was below even the 1982 market value and likely far below the 2019 value. Kevin's 2019 land-grab attempt and his continued reliance on his lawyer's facially unconvincing letter throughout this litigation lean heavily against Evelyn's repeated handwritten urging, "Always be family and friends." During the appeal the parties (including Evelyn's children on both sides of this dispute) notified us of Evelyn's passing. We of course cannot require the parties to apply her kind admonition to this dispute, and we are bound to apply the law rather than substitute our own perception of fairness in the outcome. We hold only that the district court acted beyond its discretion by prospectively applying the laches doctrine. It therefore improperly concluded that, at the time this action commenced, Kevin was barred from ever exercising his option to purchase. We reverse the district court's declaration and remand for an amended judgment.

III

Kevin finally challenges the district court's alternative holding that the option contract had been revoked. The district court interpreted the option as revocable due to its

indefinite duration. Kevin raises a matter of contract interpretation, a question of law that we review de novo. *Valspar Refinish, Inc. v. Gaylord's, Inc.*, 764 N.W.2d 359, 364 (Minn. 2009). Our de novo review leads us to hold that the option contract is unambiguously limited to Kevin's lifetime. It is true that courts disfavor perpetual contracts and that even indefinite rather than perpetual contracts may be subject to revocation by either party. *Glacial Plains Coop. v. Chippawa Valley Ethanol Co.*, 912 N.W.2d 233, 236–37 (Minn. 2018). The district court implicitly deemed Kevin's purchase-option right to be indefinite, and it held that Evelyn revoked the contract indirectly by her letters indicating that she would leave the farm in all the children's names. The district court misinterpreted the contract. Although the contract states that Kevin's right to the purchase option "shall be perpetual," that characterization is refined by language that limits the duration of Kevin's right to his lifetime:

> All . . . the covenants, terms and provisions set forth herein shall be fully binding upon the parties hereto, and the same shall extend to and firmly bind the heirs, executors, successors, and assigns of [Evelyn]. It is agreed, however, that the right to exercise this Option shall run in favor of [Kevin], and only [Kevin], and that this Option may not be exercised by the heirs, executors, successors, and assigns of [Kevin].

The district court's holding that the option could be revoked due to its indefinite duration is therefore error and cannot support its decision invalidating the contract. We reverse this holding and remand for an amended judgment.

Affirmed in part, reversed in part, and remanded.