This opinion is nonprecedential except as provided by Minn. R. Civ. App. P. 136.01, subd. 1(c).

STATE OF MINNESOTA
IN COURT OF APPEALS
A23-0742

Calvin D. Boquist,
Appellant,

vs.

David Zierman, et al.,
Respondents.

Filed April 1, 2024
Affirmed in part, reversed in part, and remanded
Slieter, Judge

Pine County District Court
File No. 58-CV-22-498

Jacob G. Peterson, D. Sherwood McKinnis, McKinnis & Doom, P.A., Cambridge, Minnesota (for appellant)

Brock P. Alton, Sauro & Bergstrom, PLLC, Oakdale, Minnesota (for respondents)

Considered and decided by Slieter, Presiding Judge; Larson, Judge; and Ede, Judge.

NONPRECEDENTIAL OPINION

SLIETER, Judge

In this dispute over ownership of eleven manufactured homes and allocation of insurance proceeds, appellant-seller challenges the denial of his summary-judgment motion and the grant of summary judgment to respondent-purchaser. Appellant argues that the district court erred in interpreting the bill of sale and in awarding respondent insurance proceeds. We affirm the district court's denial of appellant's summary-judgment motion, reverse the district court's grant of summary judgment to respondent, and remand for further proceedings.

FACTS

This litigation involves four parcels of real property and the ownership of eleven mobile homes that are located on two of those parcels. Appellant Calvin D. Boquist originally owned the four parcels and the mobile homes. In 2015, he agreed to sell the four parcels and the eleven mobile homes to respondent David Zierman. The four parcels are located on (1) Mission Creek Run in Pine County, (2) Knob Road in Pine County, (3) Night Heron Drive in Pine County (the Evergreen Property), and (4) Stanchfield Road in Isanti County (the Postal Property).

Zierman created four LLCs, each of which was to purchase one parcel: (1) respondent Mission Creek Road LLC, (2) respondent Knob Road LLC, (3) respondent Evergreen Park LLC, and (4) respondent Stanchfield Postal LLC.[1] Regarding the eleven mobile homes, two were located on the Knob Road Property, and the remaining nine were located on the Evergreen Property.

To complete the transaction, Boquist's attorney prepared four contracts for deed, one for each parcel, and a single bill of sale for the mobile homes. Each contract for deed included a distinct down-payment obligation and monthly payments for seven years, with the balance to be paid in its entirety at the end of the seven years. Each contract for deed

[1] Consistent with the method utilized by the parties, we refer to Zierman and all four LLCs, who collectively comprise all respondents, as Zierman.

was signed and dated June 30, 2015, and each contract for deed required Zierman to maintain insurance to cover loss to buildings, improvements, and fixtures.

The bill of sale for the eleven mobile homes recited the total consideration as $29,300, "paid by Included in real estate transaction [sic] between said parties dated 6-30-2015, the receipt of which consideration is acknowledged." The bill of sale was also signed and dated on June 30, 2015.

Zierman made all scheduled payments to Boquist pursuant to the contracts for deed through November 2020. Thereafter, Zierman made no additional payments.

In the spring of 2021, a severe storm damaged the Evergreen Property and the nine mobile homes located on it. In October 2022, Boquist sued Zierman for breach of contract and sought three remedies: (1) contract for deed cancellation and return of the real property; (2) transfer the title regarding the eleven mobile homes to him; and (3) recovery of all insurance proceeds as the result of storm damage to both the personal property and real property. Boquist moved for summary judgment on all claims. Zierman did not contest the cancellation of the contracts for deed and the return of the real property to Boquist. And, though Zierman did not file a summary-judgment motion, as part of his memorandum opposing summary judgment, he did seek a declaration from the district court that the mobile homes and the insurance proceeds for the damage to the mobile homes were his property.

Because there was no dispute that the contracts for deed should be cancelled and the real estate returned to Boquist, the district court granted partial summary judgment to Boquist on that issue. The district court denied Boquist's motion for summary judgment of his other claims and *sua sponte* granted summary judgment to Zierman—declaring that Zierman would retain title to the mobile homes and that he was "entitled to keep all insurance proceeds received."

Boquist appeals.

DECISION

I. The district court did not err by denying Boquist's motion for summary judgment but erred by granting summary judgment to Zierman.

Boquist argues that the district court erred by denying his motion for summary judgment in part and by granting summary judgment to Zierman. Boquist first argues that the district court erred by determining that cancellation of the contracts for deed did not convey ownership of the mobile homes and the insurance proceeds to him. Boquist alternatively argues that, when read together, the contracts for deed and bill of sale are ambiguous, such that the district court's grant of summary judgment in favor of Zierman was error. Zierman argues that the district court correctly ruled in his favor because the bill of sale unambiguously states that all mobile homes were paid in full on the day of the sale and are not, therefore, part of the real-estate transaction.

In an appeal from summary judgment, appellate courts review *de novo* whether there are any genuine issues of material fact and whether the district court properly applied the law. *Riverview Muir Doran, LLC v. JADT Dev. Grp., LLC*, 790 N.W.2d 167, 170 (Minn. 2010). In doing so, appellate courts "view the evidence in the light most favorable to the party against whom summary judgment was granted." *STAR Ctrs., Inc. v. Faegre & Benson, L.L.P.*, 644 N.W.2d 72, 76-77 (Minn. 2002).

Interpreting a contract is a question of law, unless the contract is ambiguous. *Denelsbeck v. Wells Fargo & Co.*, 666 N.W.2d 339, 346 (Minn. 2003). Contracts are ambiguous when they can be reasonably interpreted in more than one way, based on their language alone. *Id.* "The determination of whether a contract is ambiguous is a question of law, but the interpretation of an ambiguous contract is a question of fact for the jury." *Id.* (citation omitted).

The district court determined that the contracts for deed unambiguously do not identify the mobile homes as part of the real-estate purchase and that, therefore, they do not transfer to Boquist upon cancellation of the contracts for deed. The district court also found the bill of sale to be unambiguous in its description of the mobile homes, the purchase price for the mobile homes, and that the total amount had been received in full. Therefore, the district court concluded that the mobile homes remain the property of Zierman.

The central question presented here is whether the mobile homes, which are personal property, are considered part of the purchase of real estate pursuant to the contracts for deed. And that is central because, generally, a contract for deed only involves real estate and, therefore, its cancellation returns only the real estate to the contract for deed vendor, or seller. *See Shields v. Goldetsky*, 552 N.W.2d 226, 229-30 (Minn. 1996) (stating that a contract for deed "is essentially a financing arrangement for a real estate sale" and that the cancellation of a contract for deed results in the buyer's "forfeiture of all payments made and restoration of full legal and equitable title in the property to the [seller]"). In contrast, "[w]hen personal property is included in the contract for deed, cancellation of the contract actually entitles a [seller] to recover those personal goods." *Rudnitski v. Seely*, 452 N.W.2d 664, 668 (Minn. 1990).

Minnesota appellate courts have examined the interplay between contracts for deed and personal property in two notable cases. In *Rudnitski*, the seller sold farmland and buildings to the buyer in a contract for deed, but did not specifically reference personal property, like farm machinery, in the contract for deed. 452 N.W.2d at 665. After the buyer failed to make payments, the seller cancelled the contract for deed, recovered the property, and discovered that the buyer had disposed of several pieces of farm equipment. *Id.* at 666. The seller sued the buyer for conversion, contending that the personal property had been included in the contract for deed. *Id.* The supreme court disagreed. *Id.* at 668. After establishing that including personal property in a contract for deed allows the seller to recover those personal items, the court stated, "The problem here is caused by the fact that the contract for deed does not mention any sale of personal property—it only describes real estate. Because it is not mentioned, the contract for deed does not cover personal property." *Id.* In short, in *Rudnitski*, because the contract for deed did not identify personal property, the cancellation of the contract for deed did not include personal property.

In *Boe v. Christlieb*, the contract for deed did explicitly identify personal property. 399 N.W.2d 131, 133 (Minn. App. 1987). The contract for deed stated, "The parties hereto agree that the following items of personal property shall be a part of this Agreement and Seller hereby tenders ownership of said personal property to Buyer." *Id.* This court determined that the personal property at issue in that case was included in the contract for deed: "[t]he contract here is for the sale of a motel business. Applying these rules, it is obvious the $240,000 purchase price for the Norman Motel included the fixtures and furnishings of the business as well as the realty." *Id.* Because the contract for deed explicitly included the personal property, the personal property was part of the contract for deed.

To answer the question in this case, we must consider each of the documents which, together, form the terms of the transaction between the parties. It is undisputed that the documents, each of which serve a different purpose, comprise a single transaction involving the sale of real estate and personal property. And although they are distinct types of documents, separate writings that are part of one transaction are to be construed together. *Anderson v. Kammier*, 262 N.W.2d 366, 370 n.2 (Minn. 1977). We now consider the documents together to determine whether they unambiguously indicate the intent of the parties as it relates to the mobile homes.

We agree with Zierman that the contracts for deed, when considered separately from the bill of sale, appear most like that in *Rudnitski* because none of the contracts identify the mobile homes as part of the sale. However, the bill of sale involving sale of the mobile homes, which was executed as part of a single transaction involving both real estate and personal property, creates ambiguity in determining the parties' intent. This becomes evident with reasonably contrasting meanings of the documents presented by the parties. *See Current Tech. Concepts, Inc. v. Irie Enters., Inc.*, 530 N.W.2d 539, 543 (Minn. 1995) ("A contract is ambiguous if its language is reasonably susceptible of more than one interpretation.")

Boquist has submitted an affidavit indicating his belief that the payment for the mobile homes was not satisfied until the contracts for deed were paid in full. Zierman submitted an affidavit indicating his belief that the payment for the mobile homes was received in full on the date the documents were signed. Each belief is a reasonable interpretation of their agreement, as reflected by these two types of documents.

It is true that the contracts for deed clearly do not include language that incorporates the purchase of the mobile homes as Boquist argues. However, the bill of sale explicitly references the purchase of the real estate pursuant to the contracts for deed. It states that the payment for the mobile homes was "[i]ncluded in [the] real estate transaction between [Boquist and Zierman] dated 6-30-2015." The bill of sale states that the consideration for the transaction is $29,300 and that "the receipt of which consideration *is acknowledged*." (Emphasis added.) Additionally, the bill of sale includes an itemized list of the eleven mobile homes and, following that list, states that "[a]ll property listed above ha[s] been included in [the] real estate transaction between [Boquist and Zierman] dated 6-30-2015." The contracts for deed, however, do not reference the sum of $29,300. Instead, each contract for deed recites its own purchase price with separate down-payment obligations and, as we have already noted, none of the contracts for deed mention the mobile homes.

In sum, factual disputes exist as to the parties' intentions and as to whether the mobile homes have been paid for. Therefore, the district court properly denied summary judgment for Boquist in part but erred in granting summary judgment in favor of Zierman.[2] We remand for further proceedings.

II. The district court erred by granting summary judgment to Zierman regarding the insurance proceeds.

Boquist argues that the district court erred by granting summary judgment to Zierman by declaring that Zierman was "entitled to keep all insurance proceeds received." We agree.

As already concluded, there exist genuine issues of material fact regarding whether the mobile homes were intended to be included as part of the contracts for deed and we are therefore remanding for further proceedings. And the proper disposition for any insurance proceeds Zierman received for damage to the mobile homes cannot be determined until the ownership of the mobile homes is determined. Additionally, the record does not contain any evidence of the amount of the insurance proceeds that was initially received by Zierman nor whether those proceeds were for the real property loss as opposed to the personal property loss. Therefore, there exist genuine issues of material fact regarding the insurance proceeds. We reverse and remand the determination of entitlement to the insurance proceeds for further proceedings.

Affirmed in part, reversed in part, and remanded.

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[2] Boquist also argues that the district court erred by acting *sua sponte* to grant summary judgment for Zierman on the ownership of the mobile homes. Because we reverse the district court's grant of summary judgment in favor of Zierman, we do not address this argument.