This opinion is nonprecedential except as provided by Minn.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
A25-0583

DAMHOF Dairy,
Respondent,

vs.

Connie Stahnke, et al.,
Defendants,

Joan Blonigan Christianson,
Appellant.

Filed February 17, 2026
Affirmed
Ede, Judge

Kandiyohi County District Court
File No. 34-CV-24-302

Isak P. Hawkinson, Christina C. Hopke, Rinke Noonan, Ltd., St. Cloud, Minnesota (for respondent)

William S. White, Martin Carlson, Dallas W. Hayden (certified law student practitioner), Business and Estate Planning Analytics, PLLC, Minneapolis, Minnesota (for appellant)

Considered and decided by Johnson, Presiding Judge; Ross, Judge; and Ede, Judge.

NONPRECEDENTIAL OPINION

EDE, Judge

This appeal arises from a lawsuit by respondent Damhof Dairy against appellant Joan Blonigan Christianson and defendants Connie Stahnke, Colleen M. Frost, and Caren

B. Carlson (the Frost sisters).[1] The lawsuit concerns a right of first refusal (ROFR) that Damhof Dairy entered into with the Frost sisters' mother (mother)—who has since passed away—concerning real property that mother owned in Kandiyohi County. After their mother's death and notwithstanding the ROFR, the Frost sisters entered into a purchase agreement to sell the property to Christianson. As relevant here, Damhof Dairy sued the Frost sisters for breach of contract, among other claims. Christianson filed several counterclaims against Damhof Dairy, including a request for declaratory judgment that the ROFR does not bind the Frost sisters. Damhof Dairy moved for summary judgment in its favor, including on its breach-of-contract claim against the Frost sisters. Christianson moved for summary judgment in her favor, including on her declaratory-judgment claim against Damhof Dairy. The district court granted summary judgment for Damhof Dairy on its breach-of-contract claim against the Frost sisters and denied Christianson's motion for summary judgment.

In this appeal from the resulting final judgment, Christianson challenges the district court's decision to deny her motion for summary judgment, asserting that the district court erred in determining that Minnesota Statutes section 500.20, subdivision 2a (2024), did not invalidate the ROFR 30 years after its creation and that the ROFR bound the Frost sisters. Because we conclude that Christianson is not a third-party beneficiary of the ROFR and therefore has no legal basis to challenge the enforceability of the ROFR against the Frost sisters, we affirm.

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[1] The Frost sisters did not file a notice of appeal and have neither joined nor otherwise participated in this appeal by Christianson.

FACTS

The following summary of undisputed facts derives from the record of the underlying proceedings and the stipulated findings set forth in the district court's summary-judgment order.

In 1992, mother executed and recorded an ROFR in favor of Damhof Dairy relating to the property, which she owned. Among other things, the ROFR provides: that "if [mother] desires to sell the . . . property, she will so inform [Damhof Dairy] and offer to sell said property to [Damhof Dairy] for a mutually agreeable price"; that mother "will enter good faith negotiations with [Damhof Dairy] to arrive at a mutually agreeable price"; and that the ROFR "shall . . . be binding upon [mother], her heirs and assigns."

In 2005, mother executed and recorded a quitclaim deed conveying the property, "together with all hereditaments and appurtenances belonging thereto," to the Frost sisters. mother reserved a life estate in the property for herself. She passed away in 2009.

In 2024, the Frost sisters, as sellers, and Christianson, as buyer, executed a purchase agreement for the property. The Frost sisters did not negotiate the sale of the property with Damhof Dairy before they executed the purchase agreement with Christianson. After executing the purchase agreement and before the scheduled closing date, the Frost sisters learned of the existence of the ROFR when they received a copy of a commitment for title insurance relating to the property. Although the Frost sisters did not deliver a copy of their purchase agreement with Christianson to Damhof Dairy, they later authorized Damhof Dairy to obtain a copy from the title company that was overseeing the transaction. Because of a "cloud on title" arising from the ROFR, the sale of the property to Christianson did not close.

Damhof Dairy sued the Frost sisters for breach of contract and sought specific performance of the ROFR. In its amended complaint, Damhof Dairy asserted additional claims against the Frost sisters and Christianson. The Frost sisters filed an answer asserting a counterclaim against Damhof Dairy for declaratory judgment that the ROFR neither binds them nor encumbers the property. In their answer, the Frost sisters asserted certain other counterclaims against Damhof Dairy. And in her answer, Christianson maintained counterclaims against Damhof Dairy, including one for declaratory relief that Damhof Dairy's "claims . . . against [her] . . . are without merit."[2]

The parties cross-moved for summary judgment. Damhof Dairy requested summary judgment in its favor on its breach-of-contract claim against the Frost sisters. Despite their counterclaim against Damhof Dairy for declaratory judgment that the ROFR neither binds them nor encumbers the property, the Frost sisters explicitly took no position on the enforceability of the ROFR in their written submissions and oral arguments in support of their summary-judgment motion. Instead, they asked the district court to "determine if the ROFR remains valid and operative" and to enter an appropriate order resolving the dispute

[2] Damhof Dairy's additional claims against the Frost sisters and Christianson are not addressed in parties' arguments on appeal. The same is true for the counterclaims by the Frost sisters and Christianson against Damhof Dairy that are not specifically enumerated in the text above. We therefore do not consider these irrelevant claims and counterclaims in our analysis.

based on that determination. And Christianson requested that the district court grant summary judgment in her favor on her declaratory-judgment counterclaim.

Following a hearing, the district court granted Damhof Dairy's motion for summary judgment on its breach-of-contract claim against the Frost sisters. The district court determined that the ROFR "is valid and operative and shall be given its full legal effect." Thus, the district court ordered the Frost sisters to "grant . . . Damhof Dairy the right to purchase the property." And the district court denied the Frost sisters' and Christianson's motions for summary judgment.

Christianson appeals.

DECISION

As mentioned above, this is an appeal from the final judgment that followed the district court's grant of summary-judgment for Damhof Dairy on its breach-of-contract claim against the Frost sisters and the court's denial of Christianson's motion for summary judgment. Christianson challenges the district court's decision to deny her summary-judgment motion.[3] She asserts that the district court erred in determining that Minnesota Statutes section 500.20, subdivision 2a, did not invalidate the ROFR 30 years after its creation and that the ROFR bound the Frost sisters. Damhof Dairy counters that, among other things, Christianson cannot challenge the enforceability of the ROFR against the

[3] "On appeal from a judgment, this court may review any order involving the merits or affecting the judgment. Minn. R. Civ. App. P. 103.04. Although an order denying summary judgment is not appealable, it may be reviewed as part of an appealable judgment." *Schoer v. W. Bend Mut. Ins.*, 473 N.W.2d 73, 75 (Minn. App. 1991).

Frost sisters because she is neither a party to the contract nor a third-party beneficiary of it.[4] We agree with Damhof Dairy.

"Summary judgment is appropriate when 'there is no genuine issue as to any material fact and the movant is entitled to judgment as a matter of law.'" *Great Nw. Ins. v. Campbell*, 24 N.W.3d 256, 261 (Minn. 2025) (quoting Minn. R. Civ. P. 56.01). "On appeal, [appellate courts] determine whether there are any genuine issues of material fact that preclude summary judgment and whether the district court properly applied the law." *Id.* Appellate courts "review a district court's summary judgment decision de novo." *Id.* When

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[4] Christianson argues that Damhof Dairy forfeited its appellate argument that she cannot challenge the enforceability of the ROFR by failing to raise this issue before the district court. This argument is unavailing. In their written submissions and oral arguments in support of their summary-judgment motion before the district court, the Frost sisters expressly took no position on the enforceability of the ROFR, a contract to which it is undisputed that Christianson is not party. Indeed, the Frost sisters merely asked the district court to "determine if the ROFR remains valid and operative" and to enter an appropriate order resolving the dispute based on that determination. The district court granted summary judgment for Damhof Dairy on its breach-of-contract claim against the Frost sisters, determining that the ROFR was enforceable against them. Because the Frost sisters did not challenge the enforceability of the ROFR at summary judgment before the district court and have neither appealed nor joined this appeal, they are not a proper party to this appeal and we will not consider any arguments on their behalf to reverse the court's grant of summary judgment for Damhof Dairy on its breach-of-contract claim against them. *Cf. Nash v. Allen*, 392 N.W.2d 244, 247 (Minn. App. 1986) ("The Commissioner of Human Services, although a party below, did not file a notice of appeal or join in the county's appeal. The Commissioner is not a proper party to this appeal. *See* Minn. R. Civ. App. P. 103. We will not consider those issues raised solely by the Commissioner."), *rev. denied* (Minn. Oct. 22, 1986). Moreover, in the district court, the parties whom the court determined were bound by the ROFR sought a ruling from the court on the ROFR's enforceability. But on appeal, only Christianson—who is undisputedly not a party to the ROFR—challenges the district court's summary-judgment decision. We therefore conclude that Damhof Dairy did not forfeit its appellate argument that Christianson cannot challenge the enforceability of the ROFR because it concerns an issue that was not squarely presented until this appeal solely by Christianson and without the participation of the Frost sisters.

"the material facts are not in dispute" and "the only questions . . . [on appeal] are the interpretation of . . . contracts," appellate courts review those questions of law de novo. *Id.*

"Generally, a stranger to a contract does not have rights under the contract, but an exception exists if a third party is an intended beneficiary of the contract." *Hickman v. SAFECO Ins. of Am.*, 695 N.W.2d 365, 369 (Minn. 2005); *N. Nat'l Bank of Bemidji v. N. Minn. Nat'l Bank of Duluth*, 70 N.W.2d 118, 123 (Minn. 1955) ("As a general rule, strangers to a contract acquire no rights under such a contract. A well-recognized exception to this rule has grown up under our law known as the doctrine of third-party beneficiary contracts." (citations omitted)). The Minnesota Supreme Court has "adopted the intended beneficiary approach of the Restatement (Second) of Contracts," *Hickman*, 695 N.W.2d at 369, which states:

> (1) Unless otherwise agreed between promisor and promisee, a beneficiary of a promise is an intended beneficiary if recognition of a right to performance in the beneficiary is appropriate to effectuate the intention of the parties and either
>
> > (a) the performance of the promise will satisfy an obligation of the promisee to pay money to the beneficiary [duty owed test]; or
> >
> > (b) the circumstances indicate that the promisee intends to give the beneficiary the benefit of the promised performance [intent to benefit test].
>
> (2) An incidental beneficiary is a beneficiary who is not an intended beneficiary.

Restatement (Second) of Contracts § 302 (Am. L. Inst. 1979); *see also Caldas v. Affordable Granite & Stone, Inc.*, 820 N.W.2d 826, 832 (Minn. 2012) ("We have adopted the Restatement (Second) of Contracts § 302 (1981) to determine whether a beneficiary of a promise is an intended beneficiary with legal rights under a contract or merely an incidental beneficiary with no legal rights."), *superseded by statute*, 2013 Minn. Laws ch. 27, § 1, at 122–23 (codified at Minn. Stat. § 181.13 (Supp. 2013)); *Cretex Companies, Inc. v. Constr. Leaders, Inc.*, 342 N.W.2d 135, 139 (Minn. 1984) ("We hereby adopt the intended beneficiary approach outlined in Restatement (Second) of Contracts § 302 (1979).").

A third party has rights under a contract "if recognition of third-party beneficiary rights is appropriate and either the duty owed test or the intent to benefit test is met." *Hickman*, 695 N.W.2d at 369–70 (footnote omitted) (quotation omitted). But a person who meets neither test is an incidental beneficiary with no rights under the contract. *Id.* at 370. Appellate courts read contracts "in light of all the surrounding circumstances" to "ascertain[] the parties' intent to benefit a third person." *Id.* (footnote omitted).

We conclude that Christianson has no legal rights under the ROFR—including the right to challenge its enforceability—because she does not meet either the duty-owed test or the intent-to-benefit test. *See id.* Christianson does not meet the duty-owed test because performance of the ROFR will not satisfy an obligation in her favor. *See id.* In other words, performance of the ROFR does not discharge a duty that Damhof Dairy owes Christianson. *See Cretex*, 342 N.W.2d at 138 (explaining that, under the duty-owed test, "the promisor's performance under the contract must discharge a duty otherwise owed the third party by the promisee"). And Christianson does not meet the intent-to-benefit test. There is no reference to her in the ROFR and the circumstances do not indicate any intention to give her the benefit of the promised performance—an offer to sell the property to Damhof Dairy for a mutually agreeable price. *See Hickman*, 695 N.W.2d at 369; *see also 614 Co. v.*

Minneapolis Cmty. Dev. Agency, 547 N.W.2d 400, 410 (Minn. App. 1996) (explaining that, although "the absence of the third party's name [in a contract] does not preclude a finding of intent to benefit a third party if the circumstances show otherwise," in general, "when there is no reference to the third party in the contract, there is no intent to benefit the third party" (quotation and citations omitted)); *Julian Johnson Const. Corp. v. Parranto*, 352 N.W.2d 808, 811 (Minn. App. 1984) (explaining that a person "may establish third party beneficiary rights by showing that the parties to the contract intended to benefit [the person] at the time they entered the contract"). Put differently, the ROFR does not express any intent to benefit Christianson through contractual performance. *See Cretex*, 342 N.W.2d at 138 (explaining that, under the intent-to-benefit test, "the contract must express some intent by the parties to benefit the third party through contractual performance"). Accordingly, Christianson is at best an incidental beneficiary with no rights under the contract. *Hickman,* 695 N.W.2d at 370.

Christianson's only response to the merits of Damhof Dairy's contention that she cannot challenge the enforceability of the ROFR is that she "was properly joined to this action" under Minnesota Rule of Civil Procedure 20.01 and that she thus "was entitled to assert the same claims, arguments, and defenses as any other party." But Christianson cites no authority for the proposition that joinder under rule 20.01 affords a stranger to a contract the right to challenge the contract's enforceability, and we are aware of none.

Based on the specific facts of this case and the arguments before us, Christianson has not established a legal basis for her to challenge the enforceability of the ROFR. *See Hickman*, 695 N.W.2d at 369; *N. Nat'l Bank of Bemidji*, 70 N.W.2d at 123; *Caldas*, 820

N.W.2d at 832. We therefore decline to address Christianson's arguments that subdivision 2a of Minnesota Statutes section 500.20 invalidated the ROFR 30 years after its creation and that the ROFR did not bind the Frost sisters. With no other arguments before us, we cannot conclude that the district court erred in granting Damhof Dairy's motion for summary judgment and in denying Christianson's summary-judgment motion.

Affirmed.