This opinion is nonprecedential except as provided by Minn.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
A25-1751

Oronoco Estates MHC Owner LLC, d/b/a Oakwood Meadows MHC,
Appellant (A25-1751),

vs.

Robert James Gregory, et al.,
Respondents,

John Doe, et al.,
Defendants,

Oronoco Estates MHC Owner, LLC, d/b/a Oakwood Meadows MHC,
Appellant (A25-1752),

vs.

Gloria Mitchell,
Respondent,

John Doe, et al.,
Defendants,

Oronoco Estates MHC Owner, LLC, d/b/a Oakwood Meadows MHC,
Appellant (A25-1753),

vs.

Thomas Garry Nordstrom,
Respondent,

John Doe, et al.,
Defendants.

Filed June 15, 2026
Affirmed
Ross, Judge

Olmsted County District Court
File Nos. 55-CV-25-1298, 55-CV-25-1392, 55-CV-25-1393

Jordan Kolinski, Neven Selimovic, Hellmuth & Johnson, PLLC, Edina, Minnesota (for appellant)

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Considered and decided by Bratvold, Presiding Judge; Ross, Judge; and Reilly, Judge.*

NONPRECEDENTIAL OPINION

ROSS, Judge

A manufactured-home-park owner that leased lots to tenants under agreements that promised to provide sewage service "at no charge" began increasing rents and imposing sewage fees after the City of Oronoco connected the park to its new municipal sewer system and began charging for its use. The park owner commenced suits to evict tenants who refused to pay its new fees. The district court denied the owner's eviction claims and awarded the tenants attorney fees. We affirm the resulting judgment in this appeal by the park owner because its actions unlawfully modified the leases and the district court acted within its discretion in determining the tenants to be the prevailing parties in the eviction action.

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

FACTS

Appellant Oronoco Estates MHC Owner LLC has owned and operated a manufactured-home park in Oronoco, Minnesota, since 2016. Respondents Robert Gregory, Thomas Nordstrom, and Gloria Mitchell signed lease agreements with Oronoco Estates for their respective lots in 2018 or 2022. At the time the parties executed their lease agreements, Oronoco Estates managed the park's sewage with an onsite wastewater pond and, based on the lease terms, provided the sewage service to tenants "at no charge."

The city began constructing a municipal wastewater treatment facility in 2021. It advised Oronoco Estates that, on completion of the facility, the park must decommission its wastewater pond and connect its sewer system to the municipal system. The city also notified Oronoco Estates that it would charge it for sewage management monthly to cover the cost of the municipal facility. During construction, the city twice assessed Oronoco Estates for costs related to the facility—$55,144.34 in 2022 and $52,707.40 in 2023. The city completed the facility in early 2023, after which Oronoco Estates connected its sewage system to the city's sewer, and the city began charging Oronoco Estates for its use.

Oronoco Estates began efforts to pass the city's sewage-service costs onto its tenants. It sent tenants a letter in March 2023 announcing that it would raise their "Base Site (Rent) Fee," which is the rent tenants pay to occupy the site of their manufactured home, to $565 to cover the city's sewer charges. It raised the rent accordingly in June. Then it sent tenants a letter in January 2024 entitled "Notice of Pending Property improvements and upcoming 2024 Site Fee (Rent) Increase." The letter advised tenants, "In lieu of each resident receiving an additional monthly bill for the payment of the Sewer charges," the park would add “a monthly charge as part of your monthly rent bill.” It explained that “this increased cost” would result in a greater “monthly site rent.” The letter concluded by declaring that it “constitutes notice of a rent increase” and specifying, “[t]he Base Site (Rent) Fee will be increased to an amount not to exceed $615 per month effective April 1, 2024.” Oronoco Estates executed this increase as announced. It did not install meters to track the sewage-usage amounts of individual homes, choosing instead to begin charging tenants two monthly fees—a $30 “Fixed Service Charge - Sewage” fee and a $25 “Monthly Sewer Usage Charge” fee.

Gregory, Nordstrom, and Mitchell each made some payment each month but not the $55 sewage fees. Oronoco Estates sent each tenant a 14-day notice of nonpayment of rent on January 11, 2025, and stopped accepting their payments.

Oronoco Estates began actions in the district court to evict these three tenants in February. The district court consolidated the eviction suits, and the parties proceeded to trial. The district court dismissed the eviction suits with prejudice. It determined for multiple reasons that Oronoco Estates lacked authority to collect the sewage fees. It concluded that imposing the fees substantially modified the lease agreements, violating both Minnesota Statutes section 327C.02, subdivision 2 (2024), and the agreements’ express terms. The district court held that the tenants remain obligated to pay $615 in base rent and that they are collectively entitled to $19,743.06 in attorney fees and $1,830 in costs as the prevailing parties in the eviction action under Minnesota Statutes section 504B.172 (2024).

Oronoco Estates appeals.

DECISION

Oronoco Estates raises two arguments against the district court's decision that its sewage fees are unenforceable. It argues that the district court erroneously held that the fees improperly modified the lease agreements and that it provided inadequate notice of the added fees. It also contends that the district court erroneously determined the tenants to be the prevailing parties entitled to attorney fees. We discuss Oronoco Estates' substantial-modification argument and its attorney-fee argument.

I

Oronoco Estates argues that the district court erred procedurally and substantively in finding its sewage fees to constitute an unenforceable substantial modification of the tenants' leases. Under the statute that governs rule changes in manufactured-home-park leases, a landlord may add a rule after a tenant begins a lease "only if the new or amended rule is reasonable and is not a substantial modification of the original agreement." Minn. Stat. § 327C.02, subd. 2. A "substantial modification" includes any rule change eliminating a park owner's material obligation or creating a significant new expense for residents. Minn. Stat. § 327C.015, subd. 17(a), (c) (2024). We have applied this statutory scheme to hold that, when a manufactured-home-park landlord who had previously covered tenants' utility fees began charging a sewage utility fee, the landlord imposed a new rule modifying the lease agreement. *Sargent v. Bethel Props., Inc.*, 653 N.W.2d 800, 803–04 (Minn. App. 2002). The district court concluded that the sewage fees in dispute here constitute a rule that substantially modifies the lease agreements.

Oronoco Estates does not challenge the district court's conclusion that charging the tenants sewage fees in the face of the lease terms constitutes a substantial modification. It argues that the district court procedurally erred by failing to consider whether the sewage fees were enforceable despite being a substantial modification, relying on the factors included in Minnesota Statutes section 327C.02, subdivisions 2(1) and 2(2). These factors, argues Oronoco Estates, should have led the district court to conclude that the modification was enforceable. The argument is not convincing.

Oronoco Estates' argument fails procedurally and substantively. Oronoco Estates forfeited the argument on appeal by failing to move the district court for amended findings. *See Frank v. Ill. Farmers Ins. Co.*, 336 N.W.2d 307, 311 (Minn. 1983) (explaining that if a district court is obligated and fails to make factual findings on an issue, a party must move for amended findings to preserve the issue for appeal). Even assuming that the district court was obligated to consider these factors, Oronoco Estates' argument is procedurally barred.

But there are also substantive reasons to reject Oronoco Estates' argument. It correctly observes that not all substantial modifications are unenforceable. When a rule change is alleged to be a substantial modification, district courts "may" consider whether changed circumstances demand such a rule change and how the rule change will benefit residents in their determinations. Minn. Stat. § 327C.02, subd. 2(1)–(2). We review the district court's application of this statute for an abuse of discretion. *See NY Props., LLC v. Schuette*, 977 N.W.2d 862, 864–65 (Minn. App. 2022) (explaining that a district court's "ultimate conclusions" in an eviction action are reviewed for an abuse of discretion). The statute's permissive framing of any district court consideration of the subdivision 2(1) and 2(2) factors informs us that the district court was not obligated to analyze these factors in its substantial-modification analysis. The district court in this case therefore did not offend the statute by not doing so.

Oronoco Estates insists that, even if the statute is merely permissive, the district court's analysis was still insufficient. It relies on our nonprecedential opinion in *Belle Plaine MHP, LLC v. Haugen*, in which we said that district courts "should" consider these factors. No. A22-0542, 2023 WL 193981, at *4 (Minn. App. Jan. 17, 2023). As a nonprecedential opinion, *Belle Plaine* is not binding authority on district courts. Minn. R. Civ. App. P. 136.01, subd. 1(c). At most it is persuasive authority opining how district courts "should" conduct the substantial-modification analysis, and it too uses only permissive language concerning the statutory factors.

Oronoco Estates urges us to come to our own conclusion as to whether its utility fees are enforceable by applying these factors to the district court's factual findings as a matter of law. There are some facts in the record that could speak to the "changes in circumstances" and "compensating benefits" contemplated by Minnesota Statutes section 327C.02, subdivisions 2(1) and 2(2). But it is the district court's role, not ours, to exercise discretion and weigh the factors. Our duty on appeal is limited to reviewing its conclusion for an abuse of that discretion. *Krmpotich v. City of Duluth*, 483 N.W.2d 55, 57 (Minn. 1992) ("[W]here the trial court weighs the equities in a balancing test . . . the appropriate standard of review is the abuse of discretion standard."). And in any event, Oronoco Estates offers only vague and unsupported claims of environmental benefits to the tenants and the potential modernization of the existing wastewater pond to justify enforcing the sewage fees. We therefore doubt we would reach a different conclusion than the one the district court reached.

We hold that the district court acted within its discretion by concluding that the sewage fees were an unenforceable modification of the tenants' leases and that Oronoco Estates could not justify its eviction actions based on the tenants' nonpayment. Because this holding provides sufficient grounds to affirm, we end our analysis and address the attorney-fee dispute.

II

Oronoco Estates challenges the district court's decision awarding attorney fees to the tenants. If a residential lease permits a landlord to recover attorney fees from their tenant in an action against them, that tenant is also entitled to attorney fees in the same type of action if they are the prevailing party. Minn. Stat. § 504B.172. The prevailing parties in a lawsuit are generally the parties who received a decision in their favor. *Borchert v. Maloney*, 581 N.W.2d 838, 840 (Minn. 1998). We review a district court's determination of prevailing-party status for an abuse of discretion. *Posey v. Fossen*, 707 N.W.2d 712, 714 (Minn. App. 2006). We see no abuse of discretion here.

Oronoco Estates argues that it, not any of the respondent tenants, was the prevailing party because, of the at least $2,691 each tenant had to deposit as trial security in the eviction action, the district court directed that only $715 be remitted to each of them. The argument is unconvincing. The tenants prevailed in thwarting Oronoco Estates' effort to evict them, as the judgment in their favor allowed them to retain possession. They also prevailed in preventing Oronoco Estates from collecting the unlawfully added sewage fees. Oronoco Estates correctly points out that the district court also directed a substantial portion of the trial security to be paid to it to cover the sum the tenants had withheld as rent arrearages. But we decline to accept Oronoco Estates' contention that it, or, alternatively, both sides, should be treated as prevailing parties. District courts have the discretion to make a more nuanced decision as to which party is the prevailing party by looking past the verdict to consider what the parties recovered in damages. *See id.* at 714–15. But they also have the discretion to focus instead on the bottom line in declaring the victor. *See id.* Given the district court's broad discretion when determining the prevailing party, we will not upset its attorney-fee award.

Affirmed.