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STATE OF MINNESOTA
IN COURT OF APPEALS
A25-1986

Life Fitness, LLC,
Respondent,

vs.

Anthony S. Dahmen,
Appellant,

Bruce Banker,
Defendant.

Filed August 10, 2026
Affirmed
Rasmusson, Judge

Brown County District Court
File No. 08-CV-24-730

Michael S. Dove, Christopher G. Jenkins, Gislason & Hunter LLP, New Ulm, Minnesota (for respondent)

Shawn M. Perry, Perry & Perry, PLLP, Wayzata, Minnesota (for appellant)

Considered and decided by Johnson, Presiding Judge; Frisch, Chief Judge; and Rasmusson, Judge.

NONPRECEDENTIAL OPINION

RASMUSSON, Judge

Appellant argues that the district court erred in granting summary judgment in favor of respondent because (1) the personal guaranty signed by appellant in favor of respondent was never assigned to respondent's successors and (2) there are genuine issues of material fact as to whether a material alteration to the principal contract should operate to discharge appellant as guarantor. We affirm.

FACTS

On April 21, 2016, Aspen Athletics of Colorado LLC (Aspen) through its managing member, appellant Anthony S. Dahmen, entered into a master lease agreement with respondent Life Fitness LLC. Within the master lease, the parties agreed that the leasing of particular equipment would occur through separate documents called "schedules." The master lease also specifically provided that Life Fitness would assign the master lease, each subsequent schedule, and all of its rights, to TCF Equipment Finance. The same day Dahmen signed the master lease, he executed a personal guaranty (Dahmen guaranty) in favor of Life Fitness, in which he guaranteed Aspen's performance under the master lease and any subsequent schedules.

At issue in this appeal are schedules 311 and 314, two of the schedules that Aspen entered with Life Fitness. Dahmen signed each schedule, first on behalf of Aspen as its managing member and also as the guarantor, beneath the statement, "The undersigned agrees and acknowledges that the obligations of Customer created by this lease schedule are unconditionally guaranteed under the terms of the existing guaranty of the undersigned in favor of Lessor." On August 6, 2019, Dahmen, as Aspen's managing member, and TCF signed agreements modifying both schedules by increasing the lease terms from 72 to 84 months. The modification documents included a statement, "Except as specifically amended herein, all of the terms and conditions of the Contract shall remain in full force and effect and are hereby ratified and affirmed."

On December 4, 2019, with the permission of TCF, Aspen assigned its rights and obligations under schedules 311 and 314 to Zone Athletic Clubs Colorado LLC (Zone Athletic). Again, Dahmen signed these agreements both as Aspen's manager and as guarantor, beneath the statement, "All waivers of the undersigned guarantor as set forth in the guaranty shall remain in full force and effect and shall not in any way be modified hereby."

On April 26, 2020, Zone Athletic and TCF modified the schedules by extending the time for repayment and reducing the monthly obligation due to impacts from the COVID-19 pandemic. On June 23, 2020, the parties again amended the lease terms due to the ongoing pandemic (collectively "the COVID modifications"). Dahmen was not involved in these modifications.

In 2021, TCF became known as The Huntington National Bank. Despite the COVID modifications, Zone Athletic defaulted and Huntington sent a lease default notice for schedules 311 and 314 to Zone Athletic and to the guarantors, including Dahmen and co-defendant Bruce Banker, demanding payment of past due amounts.

On March 27, 2024, Huntington assigned schedules 311 and 314 back to Life Fitness. Life Fitness filed a complaint in the district court against Dahmen and Banker for breach of their personal guaranties. Life Fitness moved for summary judgment, which the district court granted after a hearing, determining that Dahmen was liable to Life Fitness under the Dahmen guaranty.[1]

[1] Banker, a nonappealing co-defendant, did not appear, and the district court granted default judgment against him.

Dahmen appeals.

DECISION

Dahmen argues that the district court erred in granting summary judgment in favor of Life Fitness because (1) the Dahmen guaranty was never assigned to TCF and (2) there are genuine issues of material fact as to whether a material alteration to the principal contract should operate to discharge him as guarantor.

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

I. The district court did not err in determining that Dahmen's personal guaranty to Life Fitness remained binding and enforceable.

Dahmen argues that the district court erred in its interpretation of the Dahmen guaranty when it determined that the assignment language within the guaranty was self-executing. Appellate courts review contract interpretation de novo. *City of Duluth v. Fond du Lac Band of Lake Superior Chippewa*, 843 N.W.2d 577, 581 (Minn. 2014). When contract language "is clear and unambiguous, we enforce the agreement of the parties as expressed in the language of the contract." *Storms, Inc. v. Mathy Constr. Co.*, 883 N.W.2d 772, 776 (Minn. 2016) (quotation omitted). When interpreting a contract, "the language is to be given its plain and ordinary meaning." *Brookfield Trade Ctr., Inc. v. County of Ramsey*, 584 N.W.2d 390, 394 (Minn. 1998). Courts read contract terms in the context of the entire contract and will not construe the terms so as to lead to a harsh and absurd result. *Id.*

A. Life Fitness was the original creditor and the creditor asserting rights at summary judgment.

Dahmen acknowledges that he executed a personal guaranty in favor of Life Fitness. The Dahmen guaranty states:

> I, the undersigned guarantor, unconditionally guarantee to you [Life Fitness] the full and prompt performance by the above-named Obligor [Aspen], its successors, assigns, heirs and personal representatives, of all obligations which [Aspen] presently or hereafter may have to you and payment when due of all sums presently or hereafter owing by [Aspen] to you.

Dahmen argues that the Dahmen guaranty was not assigned to any other party but neglects to explain why Life Fitness, the same party who originally had the guaranty, should now be barred from exercising its rights as they appear on the face of the contract signed by the parties. If, as Dahmen claims, the Dahmen guaranty was never assigned, there is no reason for us to conclude that Life Fitness cannot now enforce its legal rights.

While that issue is determinative, we will address Dahmen's argument that the district court erred in determining that the Dahmen guaranty was assigned to TCF or any subsequent assignees.

B. The district court did not err in determining that the Dahmen guaranty survived subsequent assignment.

Under Minnesota law, “no particular form of words is required” for an assignment. *Guar. State Bank of St. Paul v. Lindquist*, 304 N.W.2d 278, 280-81 (Minn. 1980) (quotation omitted). However, “an intent to transfer must be manifested.” *Id.* at 281 (quotation omitted). “It is well established that where contracts relating to the same transaction are put into several instruments they will be read together and each will be construed with reference to the other.” *Alpha Real Est. Co. v. Delta Dental*, 664 N.W.2d 303, 313 (Minn. 2003) (quotation omitted).

Here, the terms of the master lease clearly notified Aspen and its signatory, Dahmen, that Life Fitness could and would assign its rights to TCF by stating, “**ASSIGNMENT**: Lessor [Life Fitness] is assigning this Agreement and each [schedule] that may be entered hereunder, . . . to TCF Equipment Finance, a division of TCF National Bank . . . .” On the same day that Dahmen signed the master lease, he signed the Dahmen guaranty, “unconditionally guarantee[ing]” to Life Fitness “full and prompt performance” by Aspen.

Additionally, Dahmen’s initial personal guaranty expressly provided for subsequent assignment by including the language, “This Guaranty shall inure to the benefit of your successors and assigns,” and discussing severability “as to one or more obligations” that Aspen may have to Life Fitness. The district court interpreted this language to mean that the guaranty remained valid through the assignment of the schedules to Life Fitness, to TCF, to Huntington, and back to Life Fitness, and determined the language to be self-executing because it states that the guaranty “*shall* inure to the benefit of [Life

Fitness's] successors and assigns." But Dahmen points to other language surrounding that statement and argues that "[t]he sentences 'this Guaranty is assignable by you' and 'if you assign to a third party your interests' contemplate [only] the possibility that the guaranty may be assigned in the future." We are not persuaded.

Dahmen signed, as managing member of Aspen, the master lease, which stated in unequivocal terms that Life Fitness was assigning all its interests to TCF. On the same day, he signed the Dahmen guaranty, in which he personally guaranteed Aspen's performance under the master lease. Reading these contemporaneously signed documents together, it is unambiguous that the parties intended and agreed that Life Fitness would assign its rights to TCF and that those rights would remain protected by the Dahmen guaranty. To conclude otherwise would lead to the absurd result in which Dahmen's personal guaranty would last less than one day. *See Brookfield Trade Ctr.*, 584 N.W.2d at 394 (stating that courts will not construe contract terms so as to lead to a harsh and absurd result).

Dahmen contends that his performance under schedules 311 and 314 to TCF was not guaranteed, relying solely on *BancInsure, Inc. v. Highland Bank*, 779 F.3d 565, 566 (8th Cir. 2015). However, *BancInsure* is inapposite as it involved an assignment of the rights to lease payments and an interest in leased equipment without an assignment of the right to enforce personal guaranties. *Id.* at 572. Here, Life Fitness assigned all of its rights to TCF and the unambiguous terms of the Dahmen guaranty state that the protections of the guaranty "*shall* inure to the benefit of [Life Fitness's] successors and assigns." *See*

Staffing Specifix, Inc. v. Tempworks Mgmt. Servs., 913 N.W.2d 687, 692 (Minn. 2018) ("A contract's terms are not ambiguous simply because the parties' interpretations differ.").

Similarly, the contract terms in the assignment to Zone Athletic unambiguously maintained the Dahmen guaranty. Dahmen provides no legal authority holding that a creditor's name change or subsequent reassignment to an original creditor nullifies a personal guaranty. We conclude that the district court did not err in determining that the Dahmen guaranty was assigned and that ultimately Dahmen remained liable to Life Fitness.

II. The district court did not err in granting summary judgment to Life Fitness.

Dahmen next contends that the district court erred in granting summary judgment to Life Fitness because there are genuine issues of material fact regarding (1) his increased liability stemming from the COVID modifications and (2) "the reasonableness of the timeframe of the Dahmen guaranty."

A material fact is a fact whose resolution will affect the result or outcome of the case. *Borg Warner Acceptance Corp. v. Shakopee Sports Ctr., Inc.*, 431 N.W.2d 539, 540 (Minn. 1988). There is no genuine issue of material fact "[when] the record taken as a whole could not lead a rational trier of fact to find for the nonmoving party." *DLH, Inc. v. Russ*, 566 N.W.2d 60, 69 (Minn. 1997) (quotation omitted).

Dahmen first argues that the "material nature of the Covid modifications is apparent on the face of the modifications themselves" because they increased his financial liability and extended the length of the schedules' terms.

"[A] material alteration in the principal contract, made after execution of the guaranty contract and without consent of the guarantor, discharges the guarantor if the alteration adversely affects the guarantor's interests." *Dewey v. Henry's Drive-Ins of Minn., Inc.*, 222 N.W.2d 553, 555 (Minn. 1974). "A material change or alteration of an instrument is one which causes it to speak a language different in legal effect from that which it originally spoke. If the meaning of the instrument remains as it originally stood the alteration is not material." *Dr. Ward's Med. Co. v. Wolleat*, 199 N.W. 738, 740 (Minn. 1924).

The district court determined, and the parties do not dispute, that after the COVID modifications, Dahmen's obligation increased by approximately $31,000. This increased Dahmen's overall liability by about 2%, an amount the district court determined did not raise "a question of material fact for a jury on the issue of whether the Covid [modifications] created a material alteration to the principal contract that negatively affected Mr. Dahmen's interests."

To evaluate whether the amendments in the COVID modifications were material and present a genuine issue of material fact, making a grant of summary judgment improper, we first examine whether the Dahmen guaranty contemplated amendments and, if so, to what extent. The Dahmen guaranty reads as follows:

> THIS SHALL BE A CONTINUING GUARANTY AND INDEMNITY AND, IRRESPECTIVE OF THE LACK OF ANY NOTICE TO ME OR MY CONSENT, MY OBLIGATIONS HEREUNDER SHALL NOT BE IMPAIRED IN ANY MANNER WHATSOEVER BY ANY: (a) new agreements or obligations of Obligor [Aspen] with or to you; amendments, extensions, modifications, renewals or waivers of default as to any existing or future agreements or obligations of Obligor [Aspen] or third parties with or to you . . . .

"People who sign documents which are plainly written must expect to be held liable thereon." *Midway Nat'l Bank v. Gustafson*, 165 N.W.2d 218, 222 (Minn. 1968) (quotation omitted). When a guarantor has bargained away rights in a written agreement, the court will enforce the bargain as written unless it was procured by fraud. *Id.* at 222-23.

The plain language of the Dahmen guaranty anticipates that the parties may enter into new agreements or modify or extend their current obligations covered by the guaranty. Within the guaranty, Dahmen agreed that, even with no notice, his obligations would "not be impaired in any manner whatsoever" by such modifications or extensions. Furthermore, just five months prior to the COVID modifications, Dahmen affirmed in the assignment to Zone Athletic that "[a]ll waivers of the undersigned guarantor as set forth in the [Dahmen] guaranty shall remain in full force and effect and shall not in any way be modified." The modification and extension of schedules 311 and 314 as amended in the COVID modifications fall squarely within the agreement of the parties in the Dahmen agreement.

And although the COVID modifications did extend the schedules' terms, the modifications did not change the original meaning of the schedules or cause them to "speak a language different in legal effect" from the originals. *See Wolleat*, 199 N.W. at 740. The changes were within the scope of changes anticipated by the Dahmen guaranty and thus did not adversely affect Dahmen's interests under the guaranty. We conclude that there is no genuine issue of material fact as to whether the COVID modifications materially affected Dahmen's interests.

Lastly, Dahmen argues that the district court erred by enforcing the Dahmen guaranty eight years after he signed it. He relies on *Tri-County State Bank of Ortonville v.*

Golf Properties, Inc., 395 N.W.2d 409, 412 (Minn. App. 1986), in which we concluded that it was reasonable to enforce guaranties for three years based upon the facts of the case. *Tri-County* in turn relies on *Continental Can Company v. Lanesboro Canning Company*, 230 N.W. 121, 122 (Minn. 1930).

A guaranty that is not limited as to time "must as a matter of construction be limited to a time which is reasonable, taking into consideration not merely the language of the guaranty, but all the circumstances of the case." *Cont'l Can*, 230 N.W. at 122 (quotation omitted). Whether the timeframe in which a guaranty was enforced is reasonable is a question of law. *Lehigh Coal & Iron Co. v. Scallen*, 63 N.W.245, 246 (Minn. 1895). In *Continental Can*, the supreme court evaluated what a reasonable timeframe would be to enforce a guaranty on a three-year contract authorized by the directors of a company who were also the guarantors. 230 N.W. at 121-22. The supreme court noted that the guaranties contemplated sales on the parties' "usual terms," which were typically "expressed by the three-year contracts." *Id.* at 122. The language of the guaranty was "clearly prospective," not limited to one season as appellants argued, and "was never cancelled or released," so the supreme court concluded that the guaranty had not expired. *Id.*

The district court made a similar determination here. The original term of schedule 311, the older of the two schedules, would have expired in 2022. However, on August 6, 2019, the parties, including Aspen, with Dahmen acting as its managing member, agreed to extend the term to 84 months, resulting in an end-date in 2023. Because Dahmen was involved in this extension, the district court determined that it was reasonable to hold him accountable through the 2023 default, "plus the time it took Life Fitness to seek a remedy through the guaranty."

The district court enforced the Dahmen guaranty for the same length of time as the underlying contract to which it applied. We agree with the district court that this was a reasonable length of time to enforce the guaranty and conclude that there remains no genuine issue of material fact that would preclude summary judgment.

Affirmed.