STATE OF MINNESOTA
IN COURT OF APPEALS
A19-0707

Farmers State Bank of Trimont,
Appellant,

vs.

Joel S. Rabbe,
Respondent,

Kristen C. Rabbe,
Respondent,

Jon E. Rabbe,
Respondent,

Debra A. Rabbe,
Respondent,

Joyce L. Rabbe,
Individually and as Trustee of the Residual Trust
Created Pursuant to Article VII of the
Last Will and Testament of John J. Rabbe
of August 13, 2007,
Respondent,

and

Rabbe Farms, LLP,
Defendant,

Rabbe Ag Enterprises,
LLC, f/k/a Rabbe Ag Enterprises,
Defendant,

John Doe, et al.
Defendants.

Filed December 30, 2019
Affirmed in part, reversed in part, and remanded
Cochran, Judge

Martin County District Court
File No. 46-CV-18-74

Dean M. Zimmerli, Dustan J. Cross, Gislason & Hunter LLP, New Ulm, Minnesota (for appellant)

Joel S. Rabbe, Trimont, Minnesota (pro se respondent)

Kristen C. Rabbe, Trimont, Minnesota (pro se respondent)

Jon E. Rabbe, Trimont, Minnesota (pro se respondent)

Debra A. Rabbe, Trimont, Minnesota (pro se respondent)

Joyce L. Rabbe, Trimont, Minnesota (pro se respondent)

Considered and decided by Bjorkman, Presiding Judge; Cochran, Judge; and Smith, John, Judge.*

U N P U B L I S H E D O P I N I O N

COCHRAN, Judge

Appellant-bank challenges the district court's grant of summary judgment in favor of respondents-debtors. Appellant argues that the district court erred by (1) determining that appellant's termination of farmland leases was ineffective; and (2) interpreting respondents' bankruptcy plan to deduct, from the amount owed to appellant, the total

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

amount of the debt owed to a senior creditor rather than only the appraised value of the creditor's relevant collateral. We affirm in part, reverse in part, and remand.

FACTS

The facts of this case are undisputed. Respondents are Joel Rabbe, Kristen Rabbe, Jon Rabbe, Debra Rabbe, and Joyce Rabbe (Rabbe Individuals), as well as Rabbe Farms, LLP (Rabbe Farms) and Rabbe Ag Enterprises, LLC (Rabbe Ag), two farming companies owned by certain members of the Rabbe family.[1] In 2013 and 2014, Rabbe Farms entered into two promissory notes in favor of appellant Farmers State Bank of Trimont (FSB) totaling approximately $17 million. And in 2015, Rabbe Ag entered into a promissory note with FSB with a principal amount of $500,000. These loans were secured by (1) a security interest "in essentially all items of personal property of Rabbe Ag, including all of Rabbe Ag's machinery and equipment"; (2) a mortgage in the amount of $2 million ($2 million mortgage), which granted FSB a mortgage lien in 503 acres of farmland owned by Rabbe Farms (Rabbe Farms Farmland); and (3) a mortgage in the amount of $15 million ($15 million mortgage), which granted FSB a mortgage lien in, among other things, 1,282 acres of farmland owned by the Rabbe Individuals (Rabbe Individual Farmland).

In June 2014, Rabbe defaulted on the loans. FSB then commenced a foreclosure action against the Rabbe Individuals, seeking to foreclose the $15 million mortgage against the Rabbe Individual Farmland. A judgment and decree of foreclosure was entered in

[1] Respondents are hereinafter collectively referred to as "Rabbe."

March 2016, and FSB was the high bidder on the Rabbe Individual Farmland at a subsequent sheriff's sale. The district court later confirmed the foreclosure sale of the Rabbe Individual Farmland in July 2016, and FSB became the fee owner of this farmland after none of the Rabbe Individuals timely redeemed.

In the meantime, in September 2015, Rabbe Farms and Rabbe Ag filed for chapter 11 bankruptcy protection. Rabbe, FSB, and other creditors subsequently engaged in mediation, and on July 8, 2016, the parties reached a settlement. The settlement, which was approved by the Bankruptcy Court on October 31, 2016, was to be primarily implemented through two reorganization plans, one for Rabbe Ag (Rabbe Ag Plan) and one for Rabbe Farms (Rabbe Farms Plan).

The Rabbe Ag Plan was confirmed by the Bankruptcy Court in April 2017. This plan related to security interests in farm equipment held by Rabbe Ag's creditors, which included FSB. FSB's security interest in this equipment was senior to the security interests held by other creditors, except with respect to a John Deere 9530T Track Tractor and a Caterpillar 320DL excavator. John Deere Credit (John Deere) had a first priority security interest in the tractor, securing a claim in the amount of $211,054.59, and AgDirect had a first priority security interest in the excavator, securing a claim in the amount of $53,887.36. FSB had a second priority security interest in both the tractor and the excavator.

The Rabbe Ag Plan allowed Rabbe to choose between one of two options to satisfy FSB's allowed secured claims. Rabbe Ag could either (1) auction the equipment in which FSB had a security interest and pay FSB a portion of auction proceeds less certain other

amounts (auction option), or (2) retain the equipment and pay FSB a portion of the appraised value of the equipment less certain other amounts (buyout option).

Rabbe Ag elected the buyout option. As part of the buyout process, Gehling Auction Co. inspected the Rabbe Ag equipment, and issued a written appraisal valuing the equipment at $914,750. The appraisal included the John Deere tractor, which was appraised at a value of $120,000. Following a supplemental appraisal, as well as the addition of several items of equipment, the total value of the appraised equipment increased to $922,750.

The parties could not agree on the amount of the payment required to complete the buyout option. The dispute involved the value of John Deere's "senior security interest" in the tractor under the terms of the buyout option of the Rabbe Ag Plan. FSB claimed that the value of John Deere's "senior security interest" in the tractor was $120,000, the appraised value of the tractor. Conversely, Rabbe claimed that the value of John Deere's "senior security interest" in the tractor was $211,054.59, the full amount of John Deere's allowed secured claim arising from the debt that Rabbe Ag owed John Deere.

In addition to the Rabbe Ag Plan, the Rabbe Farms Plan was also confirmed by the Bankruptcy Court in April 2017. Pursuant to the terms of the Rabbe Farms Plan, the Rabbe Farms Farmland was conveyed to FSB via quitclaim deeds, making FSB fee owner of both the Rabbe Farms Farmland and the Rabbe Individual Farmland. The Rabbe Farms Plan also required FSB to lease the Rabbe Individual Farmland and the Rabbe Farms Farmland to Rabbe Ag for the 2017 and 2018 crop years at $185 per tillable acre.

FSB entered into separate leases with Rabbe Ag for each farmland. The leases contained identical terms and required that rent be remitted in equal installments on or before November 1 of each year. The leases also provided that if Rabbe Ag failed to make the rent payments when due, FSB could "re-enter and take possession of the above rented premises, and hold and enjoy the same without forfeiting the rents to be paid by [Rabbe Ag] for the full term of [the] lease."

Rabbe Ag failed to make any payment on the leases by the November 1, 2017 deadline. FSB subsequently sought to terminate the leases by recording Notices of Lease Termination in the county recorder's office on November 13, 2017. Each notice stated that FSB "hereby provide[s] to Rabbe Ag . . . notice of termination" for failure to tender rent payment by November 1, 2017. Each notice also stated that "[p]ursuant to the terms of the Lease, [FSB] has elected to re-enter and take possession of the leased premises."

FSB never served the Notices of Lease Termination on Rabbe Ag, and Rabbe Ag was not otherwise notified of the termination of the leases. On November 14, 2017, Joel Rabbe went to FSB and paid the first rent installment for each of the leases. FSB's president personally accepted the payments on behalf of FSB. Neither FSB's president, nor anyone else from FSB, informed Joel Rabbe or any of the other Rabbe Individuals that FSB had recorded notices of termination the day before.

On December 29, 2017, FSB commenced this action against Rabbe seeking a declaratory judgment that the leases between FSB and Rabbe Ag were terminated due to Rabbe Ag's default. FSB also sought a judgment for breach of contract, breach of the covenant of good faith and fair dealing, and claim and delivery of the Rabbe Ag equipment,

related to Rabbe's alleged breach of the Rabbe Ag Plan. Rabbe subsequently moved to dismiss the complaint. On March 29, 2018, the district court denied Rabbe's motion with respect to the counts related to the lease agreements, but granted the motion to dismiss the three claims related to the alleged breach of the Rabbe Ag Plan on the grounds that the claims were subject to mandatory farmer-lender mediation. The district court dismissed these claims without prejudice.

In August 2018, after the parties failed to reach an agreement in the mandatory farmer-lender mediation, FSB moved to amend the complaint to reassert the previously-dismissed claims related to the satisfaction of FSB's security interests. The district court permitted the amendment. FSB then moved for summary judgment, seeking (1) a judgment declaring that the leases between the parties terminated following Rabbe Ag's failure to tender the 2017 rent payments on November 1, 2017; and (2) either delivery of the Rabbe Ag equipment, or payment of $205,037.01 to FSB, which represented the amount FSB claimed Rabbe owed under the buyout option of the Rabbe Ag Plan. Rabbe filed a cross-motion for summary judgment, seeking a judgment declaring that the leases were not terminated. Rabbe also claimed that FSB was required to accept $102,193.78 for the equipment under the buyout option. The difference in the two proposed buyout amounts relates primarily to the different amounts that the parties assign to the deduction for John Deere's security interest in the tractor.

The district court determined that FSB failed to terminate the leases because (1) "Minnesota's landlord-tenant law indicates that notice to a tenant is a prerequisite to an action seeking repossession of the premises," but Rabbe was "never provided with notice

of the lease termination"; and (2) FSB "accepted the late rent and thereby waived its right to recover possession." The district court also determined that "John Deere Credit's 'senior security interests' in the tractor was intended to reflect the value of its allowed secured claim rather than the appraised value of the tractor." The district court then concluded that under the terms of the Rabbe Ag Plan, FSB "is to release its security interest in the Rabbe Ag equipment in exchange for payment of $104,690.55."[2] The district court, therefore, granted Rabbe's motion for summary judgment, and denied FSB's motion for the same. This appeal follows.

D E C I S I O N

Summary judgment is proper when there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law. Minn. R. Civ. P. 56.01. We review a "grant of summary judgment de novo to determine whether there are genuine issues of material fact and whether the district court erred in its application of the law." *Montemayor v. Sebright Prods., Inc.*, 898 N.W.2d 623, 628 (Minn. 2017) (quotation omitted). Summary judgment may be affirmed if it can be sustained on any grounds. *Doe v. Archdiocese of St. Paul*, 817 N.W.2d 150, 163 (Minn. 2012).

[2] Notably, the district court set the amount of the buyout at $104,690.55, which differed from the $102,193.78 amount argued by Rabbe. Although Rabbe notes that the "disparity results" from Rabbe's use of a "slightly different" amount for John Deere's secured claim than the amount used by the district court, Rabbe has "adopt[ed] the amount as calculated by the district court" for purposes of this appeal.

I. Termination of the Farmland Leases

FSB challenges the district court's denial of its request for a declaration that its leases with Rabbe Ag have been terminated, arguing that the district court erred when it determined that (1) no "eviction" was either effectuated or permitted due to lack of notice to Rabbe; and (2) FSB waived its right to recover possession of the farmland by accepting the late rent. We address FSB's waiver argument first.

A landlord's acceptance of a rent payment, after giving notice to quit, may show waiver of that notice. *Pappas v. Stark*, 142 N.W. 1046, 1047 (Minn. 1913). In other words, "[a]cceptance of rent operates as an election by the lessor to continue the lease." *Priordale Mall Inv'rs. v. Farrington*, 411 N.W.2d 582, 584 (Minn. App. 1987). This is because "the landlord, by accepting the rent, effectively reaffirms the lease between parties." *Oak Glen of Edina v. Brewington*, 642 N.W.2d 481, 486 (Minn. App. 2002). But an exception to the general rule applies when the lease contains a clause expressly stating that acceptance of rent does not constitute a waiver of the existing or any preceding breach. *Priordale Mall*, 411 N.W.2d at 585. And the waiver rule does not apply if the violated lease provision is part of consideration for the lease. *Central Union Trust Co. of New York v. Blank*, 210 N.W. 34, 36 (Minn. 1926).

Here, it is undisputed that Rabbe paid the November 2017 rent two weeks after it was due, and that FSB's president accepted payment of this rent. Based on these facts, the district court found that FSB "waived its right to recover the possession," and that "neither" exception to the waiver rule applied. The district court concluded that "given the rights

afforded" Rabbe under Minn. Stat. § 504B.291, subd. 1(a) (2018), it is "immaterial" whether FSB "intended to waive the notices of termination."

FSB contends that the district court's reliance on section 504B.291, subdivision 1(a) is erroneous because that statute "applies only to an eviction action, not a declaratory judgment action such as this." We agree. Minn. Stat. § 504B.291, subd. 1(a) provides that in an eviction action for nonpayment of rent, a tenant may, subject to exceptions not applicable here, redeem the premises and be restored to possession if the tenant pays "rent that is in arrears, with interest, costs of the action, and an attorney's fee not to exceed $5." FSB's complaint did not seek eviction. Rather, it sought a declaration that the leases have "been terminated" and that Rabbe has no rights under the leases. Because § 504B.291, subd. 1(a) applies only to eviction actions, the district court erred by applying Minn. Stat. § 504B.291 to this case.

FSB argues that because section 504B.291 does not apply, the district court erroneously determined that it was immaterial whether FSB intended to waive the notices of termination. FSB further argues that its acceptance of the "2017 late rent did not indicate an intent to waive the Rabbes' breach of the lease [because] executing and recording the notices of lease termination demonstrated the opposite." Thus, FSB argues that, based on the undisputed facts, the district court erred by concluding that FSB's acceptance of late rent waived its right to recover possession and terminate the leases.

The "acceptance of rent alone [does] not constitute waiver absent a showing of some intent on the part of a landlord." *Priordale Mall*, 411 N.W.2d at 585. As a result, the district court erred by concluding that FSB's intent was "immaterial" when deciding the

waiver issue. But the parties agree that the facts are undisputed. When the facts are not in dispute, the question of waiver may be reviewed de novo as a matter of law. *Montgomery Ward & Co. v. County of Hennepin*, 450 N.W.2d 299, 304 (Minn. 1990); *see also Westminster Corp. v. Anderson*, 536 N.W.2d 340, 341 (Minn. App. 1995) (reviewing de novo whether acceptance of housing assistance payments constituted waiver of landlord's right to terminate lease), *review denied* (Minn. Oct. 27, 1995).

As explained below, we conclude that the undisputed facts demonstrate that FSB intended to waive its right to terminate the leases when it accepted late payment of the rent. Under the terms of both leases, rent was due on November 1, 2017. The leases also state that if Rabbe Ag failed to make the rent payments when due, FSB could "re-enter and take possession of the above rented premises, and hold and enjoy the same without forfeiting the rents to be paid by [Rabbe Ag] for the full term of [the] lease." But the leases fail to include a termination clause, or otherwise specify how the leases could be terminated.

In addition to the terms of the leases, the undisputed facts demonstrate that on November 13, 2017, Joel Rabbe contacted FSB and informed an employee that he wanted to hand deliver the full amount of the rent. An FSB employee told Joel Rabbe that he should come in the next day (November 14) to make the payment when FSB's president would be present. And it is further undisputed that Joel Rabbe hand-delivered the payment in full on November 14 to FSB's president, who accepted the payment, and that nobody from FSB mentioned to Rabbe that FSB had recorded the notices of termination the previous day.

Based on these undisputed facts, we conclude that FSB's acceptance of the late rent reaffirmed the leases between the parties. At the time FSB recorded its notice of termination, Rabbe Ag was in default of the leases. But when the rent was paid in full on November 14, 2017, Rabbe Ag was no longer in default because the rent for 2018 was not due until November 1, 2018. In other words, when Joel Rabbe tendered the full amount of the rent for the 2017 crop year, Rabbe Ag was in full compliance with the leases. Moreover, when Joel Rabbe made the late rent payment, FSB's president accepted the payment without mentioning that the notices of termination had been recorded the previous day, nor did he otherwise indicate that the leases had been terminated. And there is nothing in the language of either lease indicating that a late payment of rent is a material breach of the lease. FSB's acceptance of the rent payments *after* the notices of termination were filed demonstrate an intent to reaffirm the leases. Accordingly, while the district court should have considered the question of intent, the district court did not err when it concluded that by accepting the late rent, FSB waived its right to recover possession and terminate the leases. And because we conclude that FSB reaffirmed the leases when it accepted the rent, we need not address FSB's claim that the district court erred when it determined that FSB's failure to serve the Notices of Termination on Rabbe barred FSB from bringing "an action seeking repossession of the premises."

II. Value of John Deere's Security Interest

FSB also challenges the district court's determination that, under the Rabbe Ag Plan, the value of John Deere's security interest in the tractor is reflected by the total amount of John Deere's secured claim for the debt that Rabbe owes John Deere rather than

the appraised value of the tractor. FSB argues that the "plain language of the Rabbe Ag Plan contradicts" the district court's decision. Based on our de novo review of the Rabbe Ag Plan, we agree.

A "Chapter 11 bankruptcy reorganization plan is a contract that may be enforced in state court." *Baggett Bros. Farm, Inc. v. Altha Farmers Co-op., Inc.*, 149 So. 3d 717, 718 (Fla. Dist. Ct. App. 2014); *see Voicestream Minneapolis, Inc. v. RPC Props., Inc.*, 743 N.W.2d 267, 271 (Minn. 2008) ("An agreement entered into as compromise and settlement of a dispute is contractual in nature."). Thus, "principles of contract interpretation apply to the interpretation of a reorganization plan." *In re RFC & RESCAP Liquidating Trust Action*, 332 F.Supp.3d 1101, 1142 (D. Minn. 2018).

"The primary goal of contract interpretation is to determine and enforce the intent of the parties." *Travertine Corp. v. Lexington-Silverwood*, 683 N.W.2d 267, 271 (Minn. 2004). In a written contract, the reviewing court determines the intent of the parties "from the plain language of the instrument itself." *Id.* We must interpret a contract "in a way that gives all of its provisions meaning." *Current Tech. Concepts, Inc. v. Irie Enters., Inc.*, 530 N.W.2d 539, 543 (Minn. 1995). When the parties' intent is "totally ascertainable" from a contract, our task is to "construe [the] contract as a whole and attempt to harmonize all clauses of the contract." *Chergosky v. Crosstown Bell, Inc.*, 463 N.W.2d 522, 525 (Minn. 1990). When contract terms are clear and unambiguous, we interpret the contract as a matter of law and "should not rewrite, modify, or limit its effect by a strained construction." *Travertine*, 683 N.W.2d at 271.

The Rabbe Ag Plan contemplates four classes of secured claims: Class 1 – Martin County Real Estate Taxes; Class 2 – Secured Claim – AgDirect – Excavator; Class 3 – Secured Claim – John Deere Credit – Tractor; and Class 4 – Secured Claim – FSB. Under these four classes, the "allowed secured claim" represents the full amount of the debt owed by Rabbe to the creditor in each class. The Rabbe Ag Plan then provides the requirements for satisfaction of each of these allowed secured claims.

As stated above, the Rabbe Ag Plan provides two options to Rabbe to satisfy FSB's allowed secured claim: the auction option and the buyout option. To satisfy FSB's allowed secured claim under the auction option, the "net proceeds of the auction of the Rabbe Ag equipment" are distributed "after deducting the payments to be made to [the] holders of *allowed secured claims* in Classes 2 and 3 as provided therein should [Rabbe] elect not to retain the collateral securing the Class 2 and/or Class 3 claims." (Emphasis added.) The amount to be deducted from AgDirect's Class 2 secured claim consists of "the lesser of the net proceeds from the sale of [the excavator] at auction or the [$53,887.36] amount of its allowed secured claim." Conversely, the amount to be deducted from John Deere's Class 3 secured claim consists of the full $211,054.59 amount of John Deere's allowed secured claim, which equates to the entire amount owed by Rabbe Ag to John Deere.

The buyout option of the Rabbe Ag Plan allows Rabbe to retain the farm equipment, but provides for satisfaction of FSB's allowed secured claim under a framework that is similar to the framework set forth in the auction option, but different in important ways. Rather than selling the equipment at auction, the buyout option requires the equipment to be appraised, and Rabbe must then pay FSB a portion of the appraised value of the

equipment following certain deductions. Notably, the language regarding the deductions for the buyout option differs from the language for the auction plan. For the buyout option, the deductions consist of "auction and other selling fees that would have been incurred had the equipment been sold at auction for the appraised value," and "any *senior security interests in such collateral*." (Emphasis added.) The interpretation of the phrase "senior security interests in such collateral" contained in the buyout option is the dispositive issue before us.

FSB contends that the phrase "senior security interest[] in such collateral" as applied to the John Deere tractor represents the appraised value of the John Deere tractor. We agree. The Rabbe Ag Plan does not define "security interests." But Article I of the Rabbe Ag Plan incorporates the definitions of the Bankruptcy Code "by reference." The Bankruptcy Code defines "security interest" as a "lien created by an agreement." 11 U.S.C. § 101(51) (2018). "The term 'lien' means charge against or interest in property to secure payment of a debt or performance of an obligation." 11 U.S.C. § 101(37) (2018). Moreover, the dictionary defines "security interest" as "[a] property interest created by agreement or by operation of law to secure performance of an obligation, esp. repayment of a debt; specif., an interest in personal property or fixtures securing payment or performance of an obligation." *Black's Law Dictionary* 1562 (10th ed. 2014).

Both the Bankruptcy Code and the dictionary definitions reflect that a security interest is an "interest in property." And, as FSB points out, it is axiomatic that an interest in property cannot exceed the value of the property. The tractor had an appraised value of $120,000. Because the value of the tractor was $120,000, John Deere's security interest in

the collateral was necessarily limited to $120,000. Thus, the deduction for the "security interest[] in such collateral" under the buyout option was limited to the appraised value of the tractor. This conclusion is in accord with the plain language of the Rabbe Ag Plan, which bases the value of the equipment for purposes of the buyout option on an appraisal of the equipment.

Rabbe argues that the district court correctly found that the phrase "senior security interest" represents the full amount of John Deere's allowed secured claim. We disagree. When parties to the same contract use different language to address parallel issues, it is reasonable to infer that they intend this language to mean different things. *See Mauer v. Kircher*, 587 N.W.2d 512, 514-15 (Minn. App. 1998) (determining that different language in nearby clauses addressing "parallel issues" expressed the parties' "clear intention of creating different requirements"), *review dismissed* (Minn. July 29, 1999).

Here, the Rabbe Ag Plan specifically uses different phrases to reference the amount to be deducted under the buyout option and the auction option; the buyout option uses the phrase "senior security interest," whereas the auction option uses the phrase "allowed secured claims." If the parties had intended to deduct the full amount of the "allowed secured claim" under the buyout option as well as the auction option, the parties would have used the same language in both provisions. But they did not; instead they limited the amount of the deduction under the buyout option to the "security interest" in the collateral. Moreover, the provision governing John Deere's Class 3 secured claim provides that "[i]n full satisfaction of its allowed secured claim, John Deere Credit will retain its security interest *and* will receive monthly payments of $5,000 per month . . . until the claim is paid

in full." (Emphasis added.) If the deduction for the "security interest" in the John Deere tractor under the buyout option referred to the full amount of John Deere's allowed secured claim ($211,054.59), there would be no need for additional monthly payments of $5,000. Thus, the plain language of the Rabbe Ag Plan demonstrates that the phrase "senior security interest[] in such collateral" under the buyout plan does not represent the full amount of the "secured claim."

Rabbe also contends that because the buyout and auction options somewhat mirror each other, "[i]t follows . . . that the deduction on account of John Deere . . . should be the same under either scenario." Again, we disagree. There is nothing in the plain language of the Rabbe Ag Plan which indicates that the buyout option and the auction option were intended to produce the same, or similar, results. If the parties intended the deduction on account of John Deere to be the same under both the auction and buyout options, the parties would have used the same phrase under both options to reference the amount to be deducted.

Finally, Rabbe claims that the phrase "senior security interest," as understood within 11 U.S.C. § 506(a)(1) of the Bankruptcy Code, reflects the amount of John Deere's allowed secured claim rather than the appraised value of the tractor. But this case involves a contract dispute, and the plain language of the Rabbe Ag Plan demonstrates that the phrase "senior security interest" refers to the appraised value of the tractor. Moreover, Rabbe's reliance on section 506(a) is misplaced because that section "provides that secured property must be valued and that a claim is secured only to the extent of such value." *In re GVM, Inc.*, 605 B.R. 315, 325 n.13 (Bankr. M.D. Pa. Sept. 6, 2019) (citing 11 U.S.C. § 506(a)).

As such, 11 U.S.C. § 506(a) actually supports FSB's position that the phrase "senior security interest" represents the appraised value of the tractor.

In sum, because the plain language of the Rabbe Ag Plan demonstrates that the value of John Deere's security interest in the tractor consists of the appraised value of the tractor and not the amount of the debt Rabbe owes John Deere, we conclude that the district court erred when it calculated the equipment buyout payment to FSB and in granting summary judgment in favor of Rabbe on that basis. Accordingly, we reverse, in part, the district court's grant of summary judgment, and remand for proceedings consistent with this opinion.

Affirmed in part, reversed in part, and remanded.