This opinion is nonprecedential except as provided by Minn.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 A22-0061

George Hadrich, et al., Appellants,

VS.

Sylvester Geise, et al., Respondents.

Filed August 1, 2022 Affirmed Wheelock, Judge

Stearns County District Court File No. 73-CV-21-209

Gordon H. Hansmeier, Matthew W. Moehrle, Rajkowski Hansmeier Ltd., St. Cloud, Minnesota (for appellants)

Gerald Von Korff, Rinke Noonan, St. Cloud, Minnesota (for respondents)

Considered and decided by Jesson, Presiding Judge; Wheelock, Judge; and Cleary, Judge.*

NONPRECEDENTIAL OPINION

WHEELOCK, Judge

Appellant-sellers appeal from the summary-judgment dismissal of their complaint seeking to void an option contract with respondent-buyers. Appellants argue that there is

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

a genuine issue of material fact as to whether adequate consideration supports the option contract, precluding summary judgment. We affirm.

FACTS

In July 2012, appellants George Hadrich, et al. (the Hadriches), and respondents Sylvester Geise, et al. (the Geises), executed an option-to-purchase contract for the Hadriches' farmland that set a specified purchase price for the property. The option contract provided that "[i]n recognition of consideration in the form of the installation of tiling upon the option property at a significant discount, performed by [the Geises] . . . , [the] Geises are hereby given and granted the exclusive option to purchase the real property of the [Hadriches]." The parties signed and notarized the contract, and it was recorded in August 2012.

In January 2021, the Hadriches sought a declaratory judgment from the district court that the option contract was void. The Hadriches alleged that the contract was invalid because it did not include an end date to purchase the land and was supported by "limited consideration." The Geises moved the district court for summary judgment, seeking dismissal of the Hadriches' claims.

Both the Geises and Hadriches furnished invoices for the tiling that the Geises provided to the Hadriches and other clients in the fall of 2011. The invoices show that the Geises provided tiling work to the Hadriches at a roughly 50% discount. Relying on the

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¹ The district court construed the Geises' limited-consideration argument as an argument that the option contract lacked adequate consideration.

option contract's language and the invoices, the district court granted the Geises' summary-judgment motion.

The Hadriches appeal.

DECISION

The Hadriches challenge only the district court's grant of summary judgment on their inadequate-consideration claim.² The Hadriches contend that genuine issues of material fact exist regarding whether the option contract is supported by adequate consideration because there is insufficient evidence that the Geises gave them a discount, or, alternatively, because the discount was not "significant."

We review de novo the district court's grant of summary judgment and will reverse if the record contains a genuine issue of material fact or if the district court erred in applying the law. *Montemayor v. Sebright Prods., Inc.*, 898 N.W.2d 623, 628 (Minn. 2017). We construe the facts in favor of the party against whom the district court entered summary judgment. *Minn. Laborers Health & Welfare Fund v. Granite Re, Inc.*, 844 N.W.2d 509, 513 (Minn. 2014). The nonmoving party cannot rely on denials or general averments to defeat a summary-judgment motion. *Southcross Com. Ctr., LLP v. Tupy Props., LLC*, 766 N.W.2d 704, 707 (Minn. App. 2009). Instead, the party must offer specific facts showing that there is a triable issue. *Id*.

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² The Hadriches do not challenge the district court's determination that the option contract has an end date. We therefore do not address the Geises' arguments in their brief relating to the end date of the option contract.

An option to purchase land is enforceable only if the purchaser provides valuable or legal consideration separate from the promise to pay the purchase price; without such consideration, the agreement is not enforceable. *See Country Club Oil Co. v. Lee*, 58 N.W.2d 247, 250 (Minn. 1953) (determining that \$100 was adequate consideration when it was paid for the option even though it was to be applied to the purchase price). If valuable consideration is provided for the option to purchase property, the option is binding and enforceable during the period stipulated in the option contract. *Morrison v. Johnson*, 181 N.W. 945, 946 (Minn. 1921). "Consideration may consist of either a benefit accruing to a party or a detriment suffered by another party." *Kielley v. Kielley*, 674 N.W.2d 770, 777 (Minn. App. 2004) (quotation omitted). Whether a contract is supported by sufficient consideration is a question of law that we review de novo. *Concordia Coll. Corp. v. Salvation Army*, 470 N.W.2d 542, 546 (Minn. App. 1991), *rev. denied* (Minn. Aug. 2, 1991).

The option contract here explicitly stated that the tiling installed by the Geises at a "significant discount" was consideration for the option to purchase the real property. The Hadriches do not dispute that they received tiling work in August and September 2011. They dispute only whether the tiling work was done at a discount because (1) the invoices do not describe the charged rates as discounted, (2) the Geises did not calculate the discount until after the litigation started, and (3) the Geises failed to provide physical copies of any documents showing their standard rate for tiling in 2011.

The undisputed evidence, however, reflects that the Hadriches received a discount.

The invoices show that the Geises charged the Hadriches \$0.55 per foot for four-foot tile,

\$0.75 per foot for five-foot tile, and \$1.05 per foot for six-foot tile. The Geises also charged the Hadriches \$110 per hour for excavation labor. For two customers during the same period, the Geises charged \$1.10 per foot for four-foot tile, \$1.35 per foot for five-foot tile, \$1.65 per foot for six-foot tile, and \$145 per hour for excavation labor. Based on the invoices, the Hadriches received a discount of nearly 50% on the tiling work. Moreover, the record includes uncontroverted testimony that the Geises wrote off additional charges for the labor involved in the tiling work. The Hadriches point to no record evidence contesting that they received the tiling work at a 50% discount. Instead, they argue that the invoices are "unreliable at best because they have been altered to hide the identities of [other] customers." That argument is speculative because it is unsupported by any evidence and thus does not create a genuine issue of material fact. See Southcross Com. Ctr., 766 N.W.2d at 707 (providing that a general averment cannot overcome a summary-judgment motion).

Although there is no documentation of the discount dating to the work itself, and the option contract does not specify the discount, the uncontroverted evidence shows that the Hadriches received a discount. Because the discount was a benefit that accrued to the Hadriches, it is sufficient consideration. *See Kielley*, 674 N.W.2d at 777. The Hadriches nonetheless ask us to reexamine the adequacy of the consideration because, they argue, even if they did receive a discount, the term "significant discount" is ambiguous and therefore creates a triable issue of fact. We are not persuaded.

In Minnesota, the reviewing court "will not examine the adequacy of consideration as long as something of value has passed between the parties." *C & D Invs. v. Beaudoin*,

364 N.W.2d 850, 853 (Minn. App. 1985), rev. denied (Minn. June 14, 1985). And here, the evidence indisputably establishes that the Hadriches received a discount, which is something of value. Nor is there any evidence suggesting that the term "significant discount" is ambiguous because it refers to tiling work that the Geises had completed 11 months before the parties entered into the option contract. The Hadriches drafted and signed the option contract recognizing that the tiling work completed was at a "significant discount." In so doing, the Hadriches decided that the discounted tiling work was adequate consideration, and we decline to reexamine that decision. *Id*.

We therefore conclude that the record provides an ample basis for the district court's determination that there is no genuine issue of material fact as to whether the Hadriches received a discount as consideration supporting the option contract.

Affirmed.