

IN THE COURT OF APPEALS OF IOWA

No. 7-975 / 07-1320
Filed January 16, 2008

MOLO QUINT, L.L.C.,
Petitioner-Appellant,

vs.

ESTATE OF GRANT V. HOYT,
Respondent-Appellee.

Appeal from the Iowa District Court for Scott County, Mary E. Howes,
Judge.

Molo Quint, L.L.C. appeals from the district court's ruling granting in part
and denying in part its claim made in the Estate of Grant V. Hoyt. **REVERSED
AND REMANDED.**

David A. Dettmann and Diane E. Puthoff of Lane & Waterman L.L.P.,
Davenport, for appellant.

Henry G. Neuman and Roni N. Halabi of Betty, Neuman & McMahon,
P.L.C., Davenport, for appellee.

Considered by Huitink, P.J., and Miller and Eisenhauer, JJ.

HUITINK, P.J.

Molo Quint, L.L.C. appeals from the district court's ruling granting in part and denying in part its claim made in the Estate of Grant V. Hoyt. We reverse and remand.

I. Background Facts and Proceedings

On June 23, 2004, Grant Hoyt and Molo Quint, L.L.C. entered into a lease agreement and a supply agreement. Both agreements were for a one-year term ending on June 30, 2005; had holdover and renewal provisions; and bound the parties' legal representative, successors, and assigns. Grant signed the agreements to aid his grandson, David Hoyt, in opening and operating a gas station, Hoyt Auto.

Grant died on May 18, 2005. Molo Quint continued to send petroleum products and lease its property to Hoyt Auto pursuant to the agreements until September 14, 2005. At that time, Molo Quint terminated the agreements because of delinquencies in payment.

On October 21, 2005, Molo Quint filed a claim in probate for \$48,828.80 plus interest for rent and petroleum products. The estate filed a notice of disallowance of claim, and Molo Quint requested a hearing. The estate filed an answer and affirmative defenses, and Molo Quint filed a resistance. The district court's May 2, 2006 ruling provides:

The Court finds that the Estate shall be responsible only under the supply agreement and lease term until they expired by their terms, which was June 30, 2005. That is the period of time . . . Grant Hoyt agreed to by written document. There is no evidence he wished the lease to continue after that initial period under his name. There is no evidence he intended his heirs to be responsible after his death. Any rent or gasoline supplies under the

supply agreement after June 30, 2005, are the responsibility of David Hoyt and Hoyt Auto. Molo's principles knew that Grant Hoyt passed away on May 18, 2005. They continued doing business after that with David Hoyt, who was not on the lease and supply agreement, at their own risk. The Court finds that the renewal agreement and the holdover agreement in the exhibits do not apply after the June 30, 2005, date, because the principle who signed both documents had passed away. The Court finds that since the executor of the Estate was aware of the business arrangement they should be responsible for it until it expires by its terms since they did not disallow it right after the decedent's death.

The Court finds from the stipulated evidence that the Estate owes on the claim \$3,145.95 plus interest at the rate of 10 percent for 24 months.

On appeal, Molo Quint claims:

- I. THE DISTRICT COURT ERRED IN HOLDING THAT THE DECEDENT'S ESTATE WAS ONLY LIABLE FOR THE RENT DUE UNDER THE LEASE TO THE END OF THE INITIAL LEASE TERM AND NOT FOR SUBSEQUENT RENEWAL PERIODS.
- II. THE DISTRICT COURT ERRED IN HOLDING THAT THE DECEDENT'S ESTATE WAS ONLY LIABLE FOR THE AMOUNT DUE UNDER THE SUPPLY AGREEMENT TO THE END OF THE INITIAL TERM AND NOT FOR SUBSEQUENT RENEWAL PERIODS.

II. Standard of Review

Claims in probate are triable at law. Iowa Code § 633.33 (2005).

Therefore, our standard of review is for correction of errors at law. Iowa R. App.

P. 6.4. "We are bound by the trial court's findings of fact provided they are supported by substantial evidence." *In re Estate of Crabtree*, 550 N.W.2d 168, 170 (Iowa 1996).

III. Lease Agreement

Because both parties agree Molo Quint's first assignment of error has not been preserved for our review, we decline to address it.

IV. Supply Agreement

Contract interpretation involves determining the meaning of contract words. *Rick v. Sprague*, 706 N.W.2d 717, 723 (Iowa 2005). In construing contracts, the intent of the parties controls. *Continental Ins. Co. v. Bones*, 596 N.W.2d 552, 555 (Iowa 1999). That intent is determined by what the contract says unless the contract is ambiguous. *Kuehl v. Freeman Bros. Agency*, 521 N.W.2d 714, 719 (Iowa 1994).

The supply agreement clearly and unambiguously provides:

- 1.1 Initial Term. The term of this Agreement shall be for one (1) year and shall begin on July 1, 2004 and shall end at midnight on June 30, 2005.
- 1.2 Renewal Terms. This Agreement shall automatically renew for additional terms of one (1) month (hereinafter referred to as a "Renewal Term" or "Renewal Terms"), unless either Molo Quint or Customer gives written notice of its intent not to renew this Agreement at the end of the then current term at least sixty (60) days in advance of the end of such term.

Because the supply agreement would automatically renew for additional one-month terms if notice was not given to terminate it sixty days prior to June 30, 2005, Grant was required to give notice of termination on or before April 30, 2005. Grant did not give notice of termination on or before that date. Therefore, the supply agreement was automatically renewed for additional one-month terms.

In general, the "death of a contract obligor does not relieve his estate of liability. . . ." *Brenton Bank & Trust Co. v. Beisner*, 268 N.W.2d 196, 199 (Iowa 1978). Indeed, the parties' supply agreement provides "[t]he terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective legal representatives, successors and assigns of the parties hereto."

Therefore, the estate is liable for petroleum products sent to Hoyt Auto under the supply agreement before it expired because Grant did not give notice of termination on or before April 30, 2005. It is also liable for petroleum products sent to Hoyt Auto under the supply agreement after it was automatically renewed up until September 14, 2005, when Molo Quint terminated it because the estate did not give notice of termination after Grant's death.

We accordingly reverse and remand for proceedings consistent with this opinion.

REVERSED AND REMANDED.