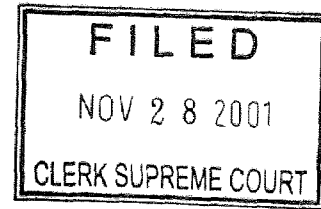


IN THE COURT OF APPEALS OF IOWA

No. 1-447 / 00-1301  
Filed November 28, 2001



**JAMES GAUBATZ,**  
Plaintiff-Appellee,

vs.

**CHARLES PAPOUSEK,**  
Individually and as Trustee,  
Defendant-Appellant.

---

Appeal from the Iowa District Court for Cerro Gordo County, John S. Mackey (pretrial ruling) and Stephen P. Carroll (trial), Judges.

Charles Papousek appeals from the district court ruling on James Gaubatz's claim for breach of contract. **AFFIRMED.**

James M. Stanton of Stanton & Sorensen, Clear Lake, for appellant.

M. Wayne Oltrogge of Oltrogge Law Office, P.C., Clear Lake, for appellee.

Heard by Sackett, C.J., and Mahan and Hecht, JJ.

000053

**HECHT, J.**

Charles Papousek appeals from the district court ruling on James Gaubatz's claim for breach of contract. We affirm.

**I. Background Facts and Proceedings.** Gaubatz rented farmland from Papousek. On August 27, 1997, Gaubatz received a notice of termination of farm tenancy and demand for possession. Gaubatz telephoned Papousek on October 27, 1997, to discuss the lease terms for the following year. According to Gaubatz, he and Papousek reached an agreement reinstating the lease terms from the preceding year. In addition, Gaubatz testified during this conversation he was given permission to proceed with fall plowing and application of fertilizer. Papousek testified he spoke with Gaubatz and agreed he could perform the fall plowing but denied the formation of an agreement regarding the application of fertilizer or the terms of a new lease.

Following the conversation of October 27, 1997, Gaubatz plowed some portion of Papousek's land and applied dry fertilizer, potash, and anhydrous ammonia. When Papousek delivered a proposed written lease to Gaubatz in January of 1998, Papousek proposed a rent increase of ten dollars per acre. Gaubatz rejected the proposed written lease, and Papousek rented the land to another farmer. Gaubatz filed suit seeking reliance damages for the costs he incurred in the fall work and chemicals applied on Papousek's land. Papousek counterclaimed, demanding the return of certain crop payments received by Gaubatz under the federal farm program.

The district court found the parties had formed a farm lease and that Papousek breached it. Judgment was entered in favor of Gaubatz against Papousek for the value of the fall plowing and the chemicals applied. Papousek's counterclaim was dismissed, and Gaubatz refunded the farm program payments. On appeal Papousek contends the trial court erred in (1) finding Gaubatz was entitled to reliance damages and (2) awarding Gaubatz damages for an amount in excess of the value of the plowing.

**II. Standard of Review.** Generally, our review is governed by how the case was tried in district court. *Ralfs v. Mowry*, 586 N.W.2d 369, 371 (Iowa 1998). Although Gaubatz requested equitable relief, the case was tried at law. While this court's review of equity cases is de novo, Iowa R. App. P. 4, neither party has identified prejudice by the trial court's decision to decide the case as a law action; therefore, we will review for correction of errors at law. See *In re Estate of Boyd*, 634 N.W.2d 630 (Iowa 2001) (reviewing equity action at law as neither party identified prejudice from trial court's decision).

The district court's findings of fact have the effect of a special verdict and are binding if supported by substantial evidence. Iowa R. App. P. 14(f)(1); *Waukon Auto. Supply v. Farmers & Merchs. Sav. Bank*, 440 N.W.2d 844, 846 (Iowa 1989). Evidence is substantial if a reasonable mind could accept it as adequate to reach the same findings. *Bluffs Dev. Co. v. Bd. of Adjustment*, 499 N.W.2d 12, 14 (Iowa 1993). We construe the findings of the trial court liberally to uphold, rather than defeat, the result reached. *Claus v. Whyte*, 526 N.W.2d 519, 523 (Iowa 1994).

**III. Discussion.** Papousek contends the district court erred in finding there was sufficient evidence of an oral contract between himself and Gaubatz regarding lease terms for the following year and the application of fertilizer to the farmland.

The existence of an oral contract, its terms, and whether it was breached are ordinarily questions for the trier of fact. *Dallenbach v. Mapco Gas Prods., Inc.*, 459 N.W.2d 483, 486 (Iowa 1990). To prove the existence of an oral contract, the terms must be sufficiently definite for a court to determine with certainty the duties of each party, the conditions relative to performance, and a reasonably certain basis for a remedy. *Burke v. Hawkeye Nat'l Life Ins. Co.*, 474 N.W.2d 110, 113 (Iowa 1991) (citing *Severson v. Elberon Elevator, Inc.*, 250 N.W.2d 417, 420 (Iowa 1977)).

We find the district court's determination an oral contract existed between Papousek and Gaubatz is supported by substantial evidence. Gaubatz testified he and Papousek discussed the application of fertilizer and the lease terms for the following year. Moreover, Gaubatz memorialized his discussion with Papousek in a written note. Furthermore, Gaubatz's wife testified she heard the end of the disputed telephone conversation between Papousek and Gaubatz and specifically heard her husband say "same as last year." The weight of the evidence and the credibility of witnesses are for the fact finder to determine. *State v. Bugley*, 408 N.W.2d 394, 395 (Iowa Ct. App. 1987). The district court did not err by finding a lease agreement was reached by Papousek and Gaubatz.

We also find ample evidence supporting the district court's calculation of reliance damages based on the oral agreement.

We have reviewed all other assignments of error raised by Papousek and find them to be without merit. Accordingly, we affirm the ruling of the district court.

**AFFIRMED.**

000002