

SUPREME COURT OF MISSISSIPPI

Facilities, Inc. v. Rogers-Usry Chevrolet, Inc.

Facilities, Inc. v. Rogers-Usry Chevrolet, Inc. · No. No. 2003-CT-00856-SCT · Decided April 4, 2003

SUMMARY

The Mississippi Supreme Court considered whether a commercial lease required the lessee to pay bonus rent on new-vehicle sales made at a separate property. The court held that the lease was unambiguous and, under its four-corners analysis, tied the bonus rent obligation to sales conducted on the leased property. It reversed the Court of Appeals and affirmed and reinstated the Rankin County Chancery Court judgment in favor of the lessee.

CASE DETAILS

COURT	Supreme Court of Mississippi
WRITING FOR THE COURT	Randolph, Justice; Waller, P.J.; Cobb, P.J.; Easley, J.; Carlson, J.; Dickinson, J.; Graves, J.; Smith, C.J.; Diaz, J.
JURISDICTION	Mississippi
DECIDED	April 4, 2003
DOCKET	No. 2003-CT-00856-SCT
DISPOSITION	reversed
PROCEDURAL POSTURE	Facilities appealed a chancery-court judgment declaring that Rogers-Usry was not required to pay bonus rent on new-vehicle sales made away from the leased premises. The Mississippi Court of Appeals reversed and remanded. On Rogers-Usry's petition, the Mississippi Supreme Court granted certiorari.
STANDARD OF REVIEW	De novo review applies to contract-construction questions because they are questions of law.
PRECEDENTIAL VALUE	Published Mississippi Supreme Court opinion; en banc decision.
PARTIES	Facilities, Inc. v. Rogers-Usry Chevrolet, Inc.

TOPICS

- contract interpretation
- landlord tenant
- appellate procedure
- standard of review
- evidence

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the lease was ambiguous regarding whether bonus rent applied to new-vehicle sales made away from the Facilities property.
2. Whether the Court of Appeals erred by considering extrinsic or parol evidence after determining that the lease was unambiguous.
3. Whether the chancery-court judgment that Rogers-Usry did not owe bonus rent on off-site sales should be reinstated.

HOLDINGS

1. The lease is clear and unambiguous when read as a whole, and its bonus-rent provision is tied to use of the specifically described Facilities property. Because the lease did not require Rogers-Usry to conduct new-vehicle sales on that property or provide for bonus rent on sales at other locations, Rogers-Usry did not owe bonus rent for new-vehicle sales made elsewhere.
2. The Court of Appeals erred by considering evidence outside the four corners of the lease after concluding that the lease was unambiguous.
3. The Rankin County Chancery Court's judgment was affirmed and reinstated, and the Mississippi Court of Appeals' judgment was reversed.

KEY QUOTATIONS

“Unquestionably, the rent is payment for the “use” of that particular piece of property located at 1561 Highway 80 West in Brandon, Mississippi, and not for the “use” of other property in Brandon, or anywhere else for that matter, to sell new or used vehicles.” (¶ 15)

“Only when an appellate court is unable to determine the parties’ intent should extrinsic or parol evidence be reviewed.” (¶ 25)

“Since the Lease Agreement is not ambiguous, and therefore not subject to more than one reasonable interpretation, the judgment of the Rankin County Chancery Court is affirmed and reinstated, and the judgment of the Court of Appeals is reversed.” (¶ 27)

FACTUAL BACKGROUND

Facilities leased property in Brandon, Mississippi, to Rogers-Usry for operation of a retail automobile dealership. The lease required base rent, inflationary increases, and additional bonus rent for each new vehicle sold in a calendar month in excess of 100. After Rogers-Usry acquired nearby property in 2000 and moved its new-car sales there, it continued occupying the Facilities property but disputed whether off-site sales generated bonus-rent obligations.

PROCEDURAL HISTORY

Rogers-Usry filed a declaratory-judgment action concerning its bonus-rent obligations under a renewed commercial lease after moving new-vehicle sales to nearby property. The Rankin County Chancery Court ruled that Rogers-Usry did not owe bonus rent for sales occurring off the leased property. The Court of Appeals reversed and remanded after concluding that the chancellor had misinterpreted the unambiguous lease and relying on evidence outside the contract's four corners. The Supreme Court reversed the Court of Appeals and affirmed and reinstated the chancery-court judgment.

DISPOSITION

reversed

CASES CITED

- Parkerson v. Smith, 817 So. 2d 529, 532 (Miss. 2002)
- Miss. State Highway Comm'n v. Patterson Enters., Ltd., 627 So. 2d 261, 263 (Miss. 1993)
- Starcher v. Byrne, 687 So. 2d 737, 739 (Miss. 1997)
- Royer Homes of Miss., Inc. v. Chandeleur Homes, Inc., 857 So. 2d 748, 752-53 (Miss. 2003)
- Kight v. Sheppard Bldg. Supply, Inc., 537 So. 2d 1355, 1358 (Miss. 1989)
- Turner v. Terry, 799 So. 2d 25, 32 (Miss. 2001)
- Osborne v. Bullins, 549 So. 2d 1337, 1339 (Miss. 1989)
- Pursue Energy Corp. v. Perkins, 558 So. 2d 349, 351-53 (Miss. 1990)
- Cooper v. Crabb, 587 So. 2d 236, 241 (Miss. 1991)
- Pfisterer v. Noble, 320 So. 2d 383, 384 (Miss. 1975)
- McKee v. McKee, 568 So. 2d 262, 266 (Miss. 1990)
- Brown v. Hartford Ins. Co., 606 So. 2d 122, 126 (Miss. 1992)
- Simmons v. Bank of Miss., 593 So. 2d 40, 42-43 (Miss. 1992)
- Leach v. Tingle, 586 So. 2d 799, 801-02 (Miss. 1991)
- Stampley v. Gilbert, 332 So. 2d 61, 63 (Miss. 1976)
- Cherry v. Anthony, 501 So. 2d 416, 419 (Miss. 1987)
- Newell v. Hinton, 556 So. 2d 1037, 1042 (Miss. 1990)
- Glanz Contracting Co. v. Gen. Elec. Co., 379 So. 2d 912, 917 (Miss. 1980)
- Polk v. Gibson, 257 So. 2d 225 (Miss. 1972)
- Ivison v. Ivison, 762 So. 2d 329, 336-37 (Miss. 2000)