SUPREME COURT OF NEBRASKA

TNT Cattle Company, Inc. v. Dianna Fife

304 Neb. 890 (2020) · No. No. S-18-1067 · Decided January 31, 2020

SUMMARY

The Nebraska Supreme Court affirmed a judgment finding that a farm lease between TNT Cattle Company and Dianna Fife ran from January 2007 through December 2017 and that Fife breached the lease by terminating it early. The court addressed indispensable-party requirements arising from the transfer of the farmland to a trust, interpretation and modification of the lease, anticipatory breach, and the proof and calculation of damages.

CASE DETAILS

COURT	Supreme Court of Nebraska
WRITING FOR THE COURT	Freudenberg, J.; Heavican, C.J.; Miller-Lerman, J.; Cassel, J.; Stacy, J.; Funke, J.; Papik, J.
JURISDICTION	Nebraska
DECIDED	January 31, 2020
DOCKET	No. S-18-1067
DISPOSITION	affirmed
PROCEDURAL POSTURE	Dianna Fife appealed from a judgment of the Buffalo County District Court in favor of TNT Cattle Company, Inc. The district court entered declaratory and breach-of-contract relief and awarded TNT $51,332.26 in damages after finding that Fife prematurely terminated an 11-year farm lease. The Nebraska Supreme Court affirmed.
STANDARD OF REVIEW	The action was treated as an action at law because it concerned breach of a lease. Factual findings in a declaratory judgment law action, including factual findings bearing on subject matter jurisdiction, are reviewed for clear error. The amount of damages is reviewed deferentially and will not be disturbed if supported by the evidence and reasonably related to the damages proved.
PRECEDENTIAL VALUE	Published Nebraska Supreme Court opinion; precedential
PARTIES	Dianna Fife v. TNT Cattle Company, Inc.

TOPICS

breach of contract | landlord tenant | contract interpretation | damages | declaratory judgment

PRACTICE AREAS

contract law | landlord-tenant law | real estate law | civil procedure | remedies

QUESTIONS PRESENTED

1. Whether the district court lacked subject matter jurisdiction because Fife, in her capacity as trustee of the trust that owned the farm, was an indispensable party.
2. Whether the two lease writings established an 11-year term ending in December 2017 or a 10-year term ending in December 2016.
3. Whether the parties' 2015 oral agreement concerning organic alfalfa rescinded the written lease and created an oral year-to-year tenancy.
4. Whether Fife breached the lease by requiring TNT to vacate in December 2016.
5. Whether the $51,332.26 damages award was based on speculative and conjectural evidence.

HOLDINGS

1. Fife in her capacity as trustee was not an indispensable party. The transfer of the farm transferred privity of estate to the trust but did not transfer Fife's privity of contract, and Fife remained liable in her individual capacity for her own interference with TNT's contractual right to quiet enjoyment.
2. The parties intended an 11-year lease ending in December 2017.
3. The 2015 oral agreement modified the parties' crop and expense-sharing arrangements but did not rescind or terminate the written lease or change its December 2017 expiration date.
4. Fife breached the lease by evicting TNT and requiring it to vacate before the December 2017 expiration date.
5. The $51,332.26 damages award was supported by the evidence and was not speculative or conjectural.

KEY QUOTATIONS

> *"A transferor of an interest in leased property, who immediately before the transfer is obligated to perform an express or implied promise of the lease resting on privity of contract, continues to be obligated after the transfer."* (917)

> *"Mutual rescission of a contract must be clear, positive, unequivocal, and decisive, and it must manifest the parties' actual intent to abandon their contract rights."* (921)

> *"In a breach of contract case, the ultimate objective of a damages award is to put the injured party in the same position the injured party would have occupied if the contract had been performed, that is, to make the injured party whole."* (922)

FACTUAL BACKGROUND

TNT and Dianna Fife entered into two simultaneously executed writings concerning a farm lease. One stated that the lease ran from January 2007 through December 2017 while also describing it as a ten-year period; the other stated that the land would be maintained through December 2017. In 2015, the parties orally changed the crops and adjusted their respective shares of expenses and profits, but the evidence supported a finding that they did not intend to change the lease duration. Fife transferred the farm to a trust in 2016 but personally notified TNT that it had to vacate by December 31, 2016; TNT vacated and sought damages for the lost 2017 crop year.

PROCEDURAL HISTORY

TNT filed suit seeking injunctive relief, a declaration that the lease continued through December 31, 2017, and damages for breach. After a bench trial, the district court found that two writings together created an 11-year lease, that a later oral agreement changing the crops did not rescind the lease, and that Fife breached it by evicting TNT in December 2016. Injunctive relief became moot, but the court awarded $51,332.26 in damages; it denied Fife's motion for new trial, and Fife timely appealed.

DISPOSITION

affirmed

CASES CITED

- American Amusements Co. v. Nebraska Dept. of Rev., 282 Neb. 908, 807 N.W.2d 492 (2011)
- State ex rel. Spire v. Northwestern Bell Tel. Co., 233 Neb. 262, 445 N.W.2d 284 (1989)
- Caeli Assoc. v. Firestone Tire & Rubber Co., 226 Neb. 752, 415 N.W.2d 116 (1987)
- Midwest Renewable Energy v. American Engr. Testing, 296 Neb. 73, 894 N.W.2d 221 (2017)
- Brick Development v. CNBT II, 301 Neb. 279, 918 N.W.2d 824 (2018)
- Reichert v. Rubloff Hammond, L.L.C., 264 Neb. 16, 645 N.W.2d 519 (2002)
- Phipps v. Skyview Farms, 259 Neb. 492, 610 N.W.2d 723 (2000)
- Weber v. North Loup River Pub. Power, 288 Neb. 959, 854 N.W.2d 263 (2014)
- Chadd v. Midwest Franchise Corp., 226 Neb. 502, 412 N.W.2d 453 (1987)
- Hooker and Heft v. Estate of Weinberger, 203 Neb. 674, 279 N.W.2d 849 (1979)
- Cook v. Beermann, 201 Neb. 675, 271 N.W.2d 459 (1978)
- Prime Home Care v. Pathways to Compassion, 283 Neb. 77, 809 N.W.2d 751 (2012)
- American Title Ins. Co. v. Lacelaw Corp., 861 F.2d 224 (9th Cir. 1988)
- Sturzenegger v. Father Flanagan’s Boys’ Home, 276 Neb. 327, 754 N.W.2d 406 (2008)
- Johnson v. Griepenstroh, 150 Neb. 126, 33 N.W.2d 549 (1948)
- Cervantes v. Omaha Steel Castings Co., 20 Neb. Ct. App. 695, 831 N.W.2d 709 (2013)
- Wisner v. Vandelay Investments, 300 Neb. 825, 916 N.W.2d 698 (2018)
- Nebraska Depository Inst. Guar. Corp. v. Stastny, 243 Neb. 36, 497 N.W.2d 657 (1993)
- Norwest Corp. v. State, 253 Neb. 574, 571 N.W.2d 628 (1997)
- State v. Sundquist, 301 Neb. 1006, 921 N.W.2d 131 (2019)

- Hensman v. Parsons, 235 Neb. 872, 458 N.W.2d 199 (1990)
- Wurst v. Blue River Bank, 235 Neb. 197, 454 N.W.2d 665 (1990)
- Hoeft v. Five Points Bank, 248 Neb. 772, 539 N.W.2d 637 (1995)
- Davco Realty Co. v. Picnic Foods, Inc., 198 Neb. 193, 252 N.W.2d 142 (1977)
- Atokad Ag. & Racing v. Governors of Knts. of Ak-Sar-Ben, 237 Neb. 317, 466 N.W.2d 73 (1991)
- Eccleston v. Chait, 241 Neb. 961, 492 N.W.2d 860 (1992)
- Gary's Implement v. Bridgeport Tractor Parts, 281 Neb. 281, 799 N.W.2d 249 (2011)
- Sack Bros. v. Great Plains Co-op, 260 Neb. 292, 616 N.W.2d 796 (2000)
- Union Ins. Co. v. Land and Sky, Inc., 253 Neb. 184, 568 N.W.2d 908 (1997)
- Dutton-Lainson Co. v. Continental Ins. Co., 279 Neb. 365, 778 N.W.2d 433 (2010)
- Ford v. Estate of Clinton, 265 Neb. 285, 656 N.W.2d 606 (2003)
- ACI Worldwide Corp. v. Baldwin Hackett & Meeks, 296 Neb. 818, 896 N.W.2d 156 (2017)

Retrieved from lawtools.ai · https://lawtools.ai/cases/state/nebraska-supreme-court-of-nebraska/2020/tnt-cattle-company-inc-v-dianna-fife-n24qew80