

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF
VIRGINIA, LYNCHBURG DIVISION

Danville, VA (1431 S Boston) LLC v. Starbucks Corporation

No. 6:26-CV-00047, United States District Court for the Western District of Virginia, Lynchburg Division (June 5, 2026)

SUMMARY

The United States District Court for the Western District of Virginia denied Starbucks Corporation’s motion to dismiss or strike the landlord’s damages claim. Starbucks argued that the commercial lease unambiguously limited its liability for lost base rent to two years, but the court concluded that this interpretation conflicted with other remedial provisions, including provisions allowing specific performance and cumulative remedies. The court declined to resolve any potential ambiguity at the motion-to-dismiss stage.

CASE DETAILS

COURT	United States District Court for the Western District of Virginia, Lynchburg Division
WRITING FOR THE COURT	Norman K. Moon
JURISDICTION	United States District Court for the Western District of Virginia, Lynchburg Division
DECIDED	June 5, 2026
DOCKET	6:26-CV-00047
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff brought a breach-of-contract action against its commercial tenant after the tenant declined to take possession of a built-to-suit premises. Defendant moved under Federal Rule of Civil Procedure 12(b)(6), alternatively seeking to strike or limit the ad damnum clause, arguing that the lease unambiguously capped its liability for lost base rent at two years.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true and draws reasonable inferences in the plaintiff's favor. The complaint must allege enough facts to state a facially plausible claim. Contractual materials attached to the complaint may be considered without converting the motion into one for summary judgment. Contract interpretation is a question of law, but an

	ambiguity in the lease cannot be resolved at the motion-to-dismiss stage.
PRECEDENTIAL VALUE	unpublished district court memorandum opinion and order; persuasive authority only

TOPICS

breach of contract contract interpretation motions to dismiss commercial litigation
specific performance remedy

PRACTICE AREAS

contracts commercial litigation real estate civil procedure remedies

QUESTIONS PRESENTED

1. Whether the lease unambiguously limited Starbucks's liability for lost base rent to two years, such that the landlord's claim for additional damages should be dismissed or stricken at the pleading stage.
2. Whether the lease's remedial provisions must be read together so that the landlord may pursue remedies in addition to the remedy described in Paragraph 14.2(a).
3. Whether any ambiguity created by the lease's limitation language could be resolved on a Rule 12(b)(6) motion.

HOLDINGS

1. The lease does not unambiguously limit the landlord's available damages and remedies to two years of base rent. Starbucks's interpretation of Paragraph 14.2(a) is inconsistent with the lease's text and structure because it disregards other remedial provisions, including provisions authorizing specific performance and cumulative remedies.
2. The court need not definitively construe the lease to deny the motion to dismiss, and any ambiguity in the lease cannot be resolved at the Rule 12(b)(6) stage.

KEY QUOTATIONS

“Contract interpretation is a pure question of law for the Court to decide.”

“In sum, the Court need not offer a definitive construction of the lease to deny Starbucks’ motion to dismiss.”

“Because Starbucks’ interpretation renders other provisions of the lease meaningless and is generally discordant with the text and structure of the lease, the Court must reject Starbucks’ argument that the second-to-last sentence in sub-paragraph 14.2(a) unambiguously limits its liability to two years of base rent.”

FACTUAL BACKGROUND

Plaintiff agreed with Starbucks to construct a customized Starbucks location in Danville, Virginia and lease it to Starbucks for an initial ten-year term with anticipated base rent of \$1,985,684.10. Plaintiff purchased the land,

constructed the required improvements, satisfied the delivery conditions, and tendered possession. Starbucks refused to execute the delivery form, returned the keys, and stated that it would not proceed with the lease; after Starbucks failed to cure following a notice of default, Plaintiff filed a breach-of-contract action.

PROCEDURAL HISTORY

The landlord alleged that it constructed and tendered a customized Starbucks facility, but Starbucks refused to execute the delivery-of-possession form, returned the keys, and declared that it would not proceed with the lease. After Starbucks failed to cure the alleged default following notice, Plaintiff filed suit. The district court denied Starbucks's motion to dismiss or strike and cancelled the scheduled hearing.

DISPOSITION

dismissed

CASES CITED

- Ashcroft v. Iqbal, 556 U.S. 662, 679 (2009)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555 (2007)
- Kensington Volunteer Fire Dep't, Inc. v. Montgomery Cnty., 684 F.3d 462, 467 (4th Cir. 2012)
- E.I. du Pont de Nemours & Co. v. Kolon Indus., Inc., 637 F.3d 435, 448 (4th Cir. 2011)
- Hamden v. Total Car Franchising Corp., 548 F. App'x 842, 845 (4th Cir. 2013)
- James v. Circuit City Stores, Inc., 370 F.3d 417, 421-22 (4th Cir. 2004)
- Virginia is for Movers, LLC v. Apple Fed. Credit Union, 720 F. Supp. 3d 427, 436 (E.D. Va. 2024)
- Bolton v. McKinney, 299 Va. 550 (Va. 2021)
- Hill v. State Farm Mut. Auto. Ins., 237 Va. 148 (Va. 1989)
- Ross v. Craw, 231 Va. 206 (Va. 1986)
- PMA Cap. Ins. Co. v. U.S. Airways, Inc., 271 Va. 352 (Va. 2006)
- Allied Prop. & Cas. Ins. Co. v. Zenith Aviation, Inc., 336 F. Supp. 3d 607, 611 (E.D. Va. 2018)
- Seals v. Erie Ins. Exch., 277 Va. 558 (2009)
- Res. Bankshares Corp. v. St. Paul Mercury Ins. Co., 407 F.3d 631, 636 (4th Cir. 2005)
- Salzi v. Virginia Farm Bureau Mut. Ins. Co., 263 Va. 52 (Va. 2002)
- Schuiling v. Harris, 286 Va. 187, 747 S.E.2d 833, 836 (2013)
- 7M Delmarva Power, L.L.C. v. NCP of Va., L.L.C., 263 Va. 116 (Va. 2002)
- James River Ins. Co. v. Doswell Truck Stop, LLC, 297 Va. 304, 306 (Va. 2019)
- Pettus v. Hendricks, 113 Va. 326, 330 (Va. 1912)
- United States Dep't of Lab. v. Serenity Home Health Care LLC, 2023 WL 4549581, at *7 (E.D. Va. July 14, 2023)

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