

VIRGINIA:

*In the Supreme Court of Virginia held at the Supreme Court Building in the
City of Richmond on Friday the 14th day of August, 2015.*

Ricky W. Vance, Sr., et al., Appellants,

against Record No. 141567
Circuit Court No. CL13001568-00

Robert L. Beeman, et al., Appellees.

Upon an appeal from a
judgment rendered by the Circuit
Court of Campbell County.

Upon consideration of the record, briefs, and argument of
counsel, the Court is of the opinion that there is reversible error
in the judgment of the circuit court.

On October 28, 2012, Robert and Vickie Beeman (the "Beemans")
entered into a contract with Ricky W. Vance, Sr. and Robin S. Vance
(the "Vances") for the construction of a 1600-square-foot addition
(the "Addition") connected by an open breezeway to an existing
house that is owned and occupied by the Vances at 2169 Clarks Road,
Rustburg, Virginia.¹ The existing house and the Addition are
regarded as a single structure for tax and zoning purposes.

The contract, which consists of a single handwritten page,
reads as follows:

Contract between Ricky & Robin Vance & Robert L. & Vickie
J. Beeman.

Ricky is to build a[n] estimated 1,600 sq. ft. home &
garage @ 2169 Clarks Road, Rustburg, VA 24588[.] The
cost is estimated @ \$58,051 and Ricky is to receive
\$25,000 to build the house.

¹ Ricky Vance is the son of Vickie Beeman and step-son of
Robert Beeman.

Robert L. & Vickie J[.] Beeman will be able to live in the house rent free & tax free until they die. Then the house is to go to Ricky & Robin Vance.

If for some reason Ricky & Robin Vance sell this property they must reimburse Robert L. & Vickie J. Beeman or provide them with housing of the same size & privileges.

Construction of the house is to begin approximately Nov. 15, 2012.

/s/Robert L. Beeman
/s/Ricky Vance Sr.
/s/Vickie J. Beeman
/s/Robin S. Vance

The land located at 2169 Clarks Road (the "Property") was at the time of the signing of the contract, and still is, titled in the name of Ricky and Robin Vance. No attorneys were involved in the drafting or signing of the contract. The total cost of the construction exceeded the estimated cost, resulting in the Beemans paying \$130,951.98 for material and labor, in addition to paying \$25,000 directly to Ricky Vance to complete construction of the Addition.

In April 2013, shortly after the Beemans began residing in the Addition, relations grew strained between the Beemans and the Vances. The Beemans allege that the Vances attempted to restrict their free use and occupancy of the house and threatened to evict them if they did not abide by the restrictions imposed.

On November 8, 2013, the Beemans filed an action in the Circuit Court of Campbell County seeking a declaratory judgment of their rights under the October 28, 2012 contract. In the

complaint, the Beemans asked the circuit court to (i) determine that the contract is a valid and enforceable contract, (ii) determine that the contract is binding on the parties, (iii) determine that the Vances do not have the right to restrict the Beemans' use and enjoyment of the house or evict them from the Addition, (iv) allow a copy of the contract together with the trial court's final order to be recorded in the land records, and (v) grant such other relief as may be appropriate under Code § 8.01-146.

In the final order dated August 1, 2014, the circuit court held that the Vances had asserted that the Beemans did not have a right to reside in the Addition and had wrongfully restricted their use and enjoyment of the Addition; that the October 28, 2012 contract was a valid and binding agreement between the parties; and that the Beemans had fully performed their payment obligations under the contract and had begun to reside in the Addition.

Additionally, the circuit court held that the Beemans were entitled to reside in the Addition as long as either should live, rent and tax free; that if the Property was ever sold that the Beemans would be entitled to reimbursement of the full amount they paid for construction or, alternatively, a similar place to reside; that the Beemans were entitled to reasonable and exclusive use of the Addition and a non-exclusive right of ingress and egress along the shared driveway; and that the Vances were enjoined from interfering with those rights.

The circuit court held that the Vances "retain the ownership interest in the real estate known as 2169 Clarks Road, Rustburg, Virginia, and all improvements thereon, however, subject to the

plaintiffs' rights to reside in the Addition during their lifetime as hereinbefore set forth" and directed that a copy of the contract and final order be recorded in the land records of Campbell County.²

The Vances appealed the judgment of the circuit court to this Court, arguing that the circuit court erred in exercising jurisdiction under the Virginia Declaratory Judgment Act and in finding that the contract conveyed an interest in land.

We review a circuit court's decision to exercise jurisdiction under the Declaratory Judgment Act for abuse of discretion. Liberty Mut. Ins. Co. v. Bishop, 211 Va. 414, 419, 177 S.E.2d 519, 522 (1970). However, we are "not bound by the trial court's construction of contract terms" and, therefore, we review the circuit court's interpretation of the contract de novo. Std. Banner Coal Corp. v. Rapoca Energy Co., 265 Va. 320, 324, 576 S.E.2d 435, 438 (2003).

"Under the Declaratory Judgment Act (the Act), Code §§ 8.01-184 through -191, circuit courts have the authority to make 'binding adjudications of right' in cases of 'actual controversy' when there is 'antagonistic assertion and denial of right.'" Hoffman, L.L.C. v. Mill Two Assocs. P'ship, 259 Va. 685, 692, 529 S.E.2d 318, 323 (2000) (quoting Code § 8.01-184). Code § 8.01-184 specifically provides that "[c]ontroversies involving the interpretation of deeds, wills, and other instruments of writing" may be determined under the court's declaratory judgment jurisdiction.

² An amended final order was entered August 18, 2014 to correct a scrivener's error in the original order.

We have explained that "[t]he intent of the declaratory judgment statutes is not to give parties greater rights than those which they previously possessed, but to permit the declaration of those rights before they mature" so that the parties may be guided "in their future conduct in relation to each other" Bishop, 211 Va. at 421, 177 S.E.2d at 524; see also Code § 8.01-191.

"The main purpose of the declaratory judgment statutes is to determine 'actual controversies' and the rights of parties under deeds, wills, contracts and other writings, rather than to grant coercive relief." Winborne v. Doyle, 190 Va. 867, 872, 59 S.E.2d 90, 93 (1950). However, we have held that "coercive relief may be demanded - that is, the rights of the parties may not only be determined, but they may be enforced, in the one [declaratory judgment] action." Id. at 871-72, 56 S.E.2d at 93.

Therefore, whether a trial court properly exercised declaratory judgment jurisdiction does not necessarily rest upon the type of relief ultimately granted. The issue is whether "an adjudication of the rights of the parties was the real object of the proceeding" rather than "the determination of [a disputed] issue." Green, 268 Va. at 108, 597 S.E.2d at 81.

The complaint focused on the threat of harm and potential loss faced by the Beemans in light of the Vances' previous actions and their asserted denial of the Beemans' right to live in the Addition. The Beemans did not ask the circuit court to decide whether the terms of the contract had actually been breached by the Vances through their alleged acts of interference with the Beemans' quiet use and enjoyment of the Addition; rather, the Beemans asked

the circuit court to interpret and declare their rights under the contract so that both parties might be guided in their future conduct in relation to one another. We hold that the circuit court did not err by exercising jurisdiction under the Declaratory Judgment Act in this case.

Both parties interpret the circuit court's order to have held that the contract conveys an interest in land to the Beemans, and they refer to this interest as a life estate in the Addition. However, the contract did not convey a life estate to the Beemans; it only set forth certain contractual rights of the parties. See Humphrey v. Foster, 54 Va. (13 Gratt.) 653, 656 (1857) (life estate is conveyance of interest in real property for term of grantee's life); Johnson v. McCoy, 112 Va. 580, 584-85, 72 S.E. 123, 124-25 (1911) (same).

The Addition was built onto an existing house that remained owned and occupied by the Vances. The Vances have always held record title to the Property. The contract allows for the Vances to sell the Property, including the Addition, at any time. This arrangement by definition does not constitute a life estate. See Black's Law Dictionary 664-65 (10th ed 2014) (a life estate is an "estate" - that is, an interest in real property - held "for the duration of a specified person's life, usu[ally] the possessor's."). The Beemans contracted for the right to reside in the Addition, but the language of the contract did not convey to them an interest in land. Therefore, we affirm the circuit court's ruling that the contract is valid, binding and enforceable, but to the extent that the circuit court ruled that the contract conveyed an interest in land to the Beemans, the circuit court erred.

For the reasons stated, we affirm the circuit court's decision to exercise jurisdiction under the Declaratory Judgment Act and its ruling that the contract is valid, binding and enforceable as between the parties; however, we reverse the circuit court's judgment with respect to its conclusion that the October 28, 2012 contract conveyed an interest in land, and we remand the case for further proceedings consistent with this order.

The Vances do not assign as error the issuance of injunctive relief or the direction to record the agreement in the land records of Campbell County; consequently, we are unable to reach these two issues in this appeal. Because we reverse the trial court on the question whether an interest in land has been created by the agreement, on remand, the circuit court may reconsider the injunctive relief previously ordered and the direction to record the agreement in the land records of Campbell County.

For the aforementioned reasons, this case is reversed as to assignment of error two and remanded to the Circuit Court of Campbell County.

This order shall be certified to the said circuit court.

A Copy,

Teste:

Jate L Hamister

Clerk