SUPREME COURT OF VERMONT

Clayton v. Clayton Investments, Inc.

182 Vt. 541 (2007) · Decided June 13, 2007

SUMMARY

The Vermont Supreme Court reviewed a dispute over whether deeds tendered under an option-to-purchase agreement properly included parking restrictions and common-area maintenance fee provisions. The court held that the subdivision permit did not require inclusion of CAM fee language and that the tendered deed was consistent with the option because it did not address parking. The court affirmed specific performance with modifications and left enforcement and allocation of stipulated CAM fee payments for the superior court.

CASE DETAILS

COURT	Supreme Court of Vermont
JURISDICTION	Vermont
DECIDED	June 13, 2007
DISPOSITION	affirmed
PROCEDURAL POSTURE	Defendant appealed from a superior court decision granting plaintiff specific performance of an option-to-purchase agreement and ordering defendant to execute a deed without provisions concerning parking restrictions and CAM fees.
STANDARD OF REVIEW	The Supreme Court was deferential to the trial court's factual findings, rejecting them only if clearly erroneous; conclusions of law were reviewed de novo and upheld only if reasonably supported by the findings.
PRECEDENTIAL VALUE	Published Vermont Supreme Court opinion; precedential.
PARTIES	Clayton Investments, Inc. v. Steven Clayton

TOPICS

real estate · specific performance · easements · contracts · appellate procedure

PRACTICE AREAS

real estate · contracts · specific performance · appellate procedure

QUESTIONS PRESENTED

1. Whether the subdivision permit or the option-to-purchase agreement required the deed to Lot 8 to include a CAM-fee obligation.
2. Whether the subdivision permit or the deed's appurtenance language required the deed to grant or preserve a right to use common-area parking.
3. Whether the superior court properly addressed defendant's claim for past-due CAM fees and the stipulated order during the appeal.

HOLDINGS

1. The option's marketable-title provision could not be used by the seller to impose a deed restriction benefiting the seller over the buyer's objection, and the subdivision permit did not clearly or specifically require lot owners to pay CAM fees to defendant. The deed therefore did not need to contain a CAM-fee provision.
2. The deed tendered by plaintiff, which did not mention parking, conformed to the option. The court properly ordered defendant to accept that deed, but the record did not establish that plaintiff necessarily acquired an easement or entitlement to use any common-area parking space, and the trial court's contrary findings were stricken.
3. The Supreme Court declined to reach collection of the CAM fees because enforcement of the stipulated order remained pending in the superior court and the appeal was not a final judgment on that issue. The court struck the superior court's paragraphs addressing the CAM-fee claim and crediting payments to the purchase price, leaving the superior court to resolve enforcement.

KEY QUOTATIONS

> *"Permit conditions must be explicit and "must be expressed with sufficient clarity to give notice of the limitations on the use of the land.""* (543)

> *"Like the option agreement to which it must conform, see Buchannon v. Billings, 127 Vt. 69, 75, 238 A.2d 638, 642 (1968), the deed tendered by plaintiff contained no mention of parking."* (545)

FACTUAL BACKGROUND

Clayton Investments owned the Shelburne Shopping Park, including Lot 8 and the supermarket building located on it. In 1997, it granted Steven Clayton an option to purchase Lot 8 when the lease expired, with the option requiring a good, clear, record, and marketable warranty deed and compliance with applicable subdivision, zoning, and land-use permits. After Clayton exercised the option, the company tendered deeds requiring CAM fees and forbidding parking in common areas, but the option did not expressly mention either requirement. The parties also had a stipulated order addressing at least some past-due CAM fees, and enforcement of that order remained pending.

PROCEDURAL HISTORY

Plaintiff exercised an option to purchase Lot 8 from defendant. Defendant tendered deeds containing parking and CAM-fee provisions, which plaintiff rejected; defendant then treated the option as expired and demanded that plaintiff vacate. Plaintiff sued and obtained specific performance after a bench trial. Defendant appealed, including the trial court's treatment of CAM-fee claims. While the appeal was pending, defendant moved in the superior court to enforce a stipulated order concerning CAM fees, and that enforcement matter remained pending.

DISPOSITION

affirmed

REMAND INSTRUCTIONS

The superior court may consider whether to reinstate the stricken CAM-fee paragraphs when resolving defendant's motion to enforce the stipulated order. The court must determine the extent to which payments made under the stipulated order should be credited to overdue CAM fees or to the purchase price.

CASES CITED

- Luneau v. Peerless Ins. Co., 170 Vt. 442, 444-45, 750 A.2d 1031, 1033 (2000)
- New Eng. Fed. Credit Union v. Stewart Title Guar. Co., 171 Vt. 326, 330-31, 765 A.2d 450, 453 (2000)
- Bianchi v. Lorenz, 166 Vt. 555, 558, 701 A.2d 1037, 1039 (1997)
- 27 V.S.A. § 612
- In re Farrell & Desautels, Inc., 135 Vt. 614, 617, 383 A.2d 619, 621 (1978)
- In re Kostenblatt, 161 Vt. 292, 299, 640 A.2d 39, 44 (1994)
- In re Stowe Club Highlands, 164 Vt. 272, 276, 668 A.2d 1271, 1275 (1995)
- Swazey v. Brooks, 34 Vt. 451, 454 (1861)
- Cole v. Haynes, 22 Vt. 588, 590 (1849)
- Humphreys v. McKissock, 140 U.S. 304, 314 (1891)
- Joseph v. Hustad Corp., 454 P.2d 916, 918 (Mont. 1969)
- Grand Central Plaza, Inc. v. Bussel, 528 N.Y.S.2d 726, 728 (App. Div. 1988)
- Buchannon v. Billings, 127 Vt. 69, 75, 238 A.2d 638, 642 (1968)