

COURT OF APPEALS OF MARYLAND

Knight v. Princess Builders, Inc., 393 Md. 31

899 A.2d 156 (2006) · No. No. 67, September Term, 2005 · Decided May 17, 2006

SUMMARY

The Maryland Court of Appeals held that Princess Builders, a contract purchaser of estate property, qualified as a party entitled to appeal an Orphans' Court order under Maryland Courts and Judicial Proceedings Article § 12-502. The court also held that the buyer's building-permit contingency was not drafted for Diana Knight's benefit, so she could not invoke it to invalidate the contracts between the estate and Princess Builders. The court affirmed the decision of the Court of Special Appeals.

CASE DETAILS

COURT	Court of Appeals of Maryland
WRITING FOR THE COURT	Battaglia, J.; Bell, C.J.; Raker, J.; Wilner, J.; Cathell, J.; Harrell, J.; Greene, J.
JURISDICTION	Maryland
DECIDED	May 17, 2006
DOCKET	No. 67, September Term, 2005
DISPOSITION	affirmed
PROCEDURAL POSTURE	Diana Knight petitioned for a writ of certiorari to review the Court of Special Appeals' reported decision affirming the Circuit Court for Anne Arundel County's reversal of an Orphans' Court order directing the estate's personal representative to sell real property to Knight rather than Princess Builders, Inc.
STANDARD OF REVIEW	The Court of Appeals reviewed legal questions concerning statutory interpretation, appellate standing, and contract enforceability. An appeal from the Orphans' Court to the circuit court under Maryland Code § 12-502 is heard de novo.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Diana Knight v. Princess Builders, Inc., David R. Forrer, Personal Representative

TOPICS

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QUESTIONS PRESENTED

1. Whether Princess Builders, a contract purchaser whose contractual and equitable interests were adversely affected by an Orphans' Court order, qualified as a party entitled to appeal under Maryland Code § 12-502.
2. Whether Knight, who was not a party to the contracts between the estate and Princess Builders, could challenge their enforceability based on Princess Builders' failure to satisfy a building-permit contingency that was not included for Knight's benefit.

HOLDINGS

1. A contract purchaser whose interests are directly and adversely affected by an Orphans' Court decision is a party entitled to appeal under Maryland Code § 12-502, even if the purchaser was not a party of record in the Orphans' Court proceeding.
2. A nonparty to a contract may not use the nonperformance of a contingency that was not included for the nonparty's benefit to render the contract void, particularly where the nonparty was not prejudiced by enforcement.

KEY QUOTATIONS

“Based on the language of the applicable statutes, their predecessors, and our relevant caselaw, we conclude the Princess Builders was a proper party to pursue an appeal from the Orphans' Court's decision.” (160)

“Throughout our interpretations of the various incarnations of the statutes presently denoted as Section 12-501 and 12-502 of the Courts and Judicial Proceedings Article, we have consistently noted that the only requirement is that the individual or entity seeking appellate review must be “aggrieved” by the Orphans' Court's decision, meaning that the actions of the Orphans' Court must have a “direct tendency” to adversely affect the interests of the “party.”” (167)

“Therefore, because the contingency did not benefit Ms. Knight and she was not prejudiced by Princess Builders's failure to fulfill the condition, she may not use the nonperformance of its terms to render the contract void.” (169)

FACTUAL BACKGROUND

Mary Martha Isabella Knight died intestate owning two parcels of real property in Anne Arundel County. The estate's personal representative entered contracts with Princess Builders to sell the parcels, subject to a contingency requiring Princess Builders to obtain a building permit by August 31, 2003. Knight submitted a higher offer and objected to the sale, after which the Orphans' Court directed the personal representative to sell

the property to her. Princess Builders' contractual interests were adversely affected by that order, and Knight later sought to invalidate the contracts based on the unfulfilled building-permit contingency.

PROCEDURAL HISTORY

The Orphans' Court for Anne Arundel County ordered the personal representative to sell the property to Knight unless the estate received a higher offer. Princess Builders appealed to the Circuit Court for Anne Arundel County, which held that Princess Builders was entitled to appeal and reinstated its contracts to purchase the property. The Court of Special Appeals affirmed, and the Court of Appeals of Maryland granted Knight's petition for certiorari and affirmed the intermediate appellate court.

DISPOSITION

affirmed

CASES CITED

- Rome v. Lowenthal, 290 Md. 33, 428 A.2d 75 (1981)
- Webster v. Larmore, 270 Md. 351, 311 A.2d 405 (1973)
- Piper Rudnick LLP v. Hartz, 386 Md. 201, 872 A.2d 58 (2005)
- Stevenson v. Schriver, 9 G. & J. 324 (1837)
- Dorsey v. Warfield, 7 Md. 65 (1854)
- Cecil v. Harrington, 18 Md. 510 (1862)
- Gunther v. State ex rel. Bouldin, 31 Md. 21 (1869)
- Meyer v. Henderson, 88 Md. 585, 41 A. 1073 (1898)
- Watson v. Watson, 304 Md. 48, 497 A.2d 794 (1985)
- Himmighoefer v. Medallion Industries, Inc., 302 Md. 270, 487 A.2d 282 (1985)
- Metz v. Heflin, 235 Md. 550, 201 A.2d 802 (1964)
- Jones v. Saah, 261 Md. 340, 275 A.2d 165 (1971)
- Knight v. Princess Builders, Inc., 162 Md. App. 526, 875 A.2d 771 (2005)
- Knight v. Princess Builders, 389 Md. 124, 883 A.2d 914 (2005)