

SUPREME COURT OF COLORADO

Perfect Place, LLC v. Semler

2018 CO 74 (2018) · No. 17SC115 · Decided September 17, 2018

SUMMARY

The Colorado Supreme Court held that a garage condominium unit was not validly subdivided merely by painting or marking parking-space boundaries because the statutory recording requirements under the Colorado Common Interest Ownership Act were not satisfied. The court also held that a quitclaim deed was not void for fraud in the factum because the grantor understood the nature of the instrument, although it could be voidable. The court reversed the court of appeals and remanded for further proceedings to determine the chain of title to the disputed parking spaces.

CASE DETAILS

COURT	Supreme Court of Colorado
WRITING FOR THE COURT	Justice Márquez
JURISDICTION	Colorado
DECIDED	September 17, 2018
DOCKET	17SC115
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Perfect Place sought certiorari review of a published Colorado Court of Appeals decision affirming in part the trial court's determination that a garage condominium unit had been validly subdivided and that Semler owned two disputed parking spaces. The Supreme Court reversed the Court of Appeals and remanded.
STANDARD OF REVIEW	The court reviews factual findings for clear error, questions of law and statutory interpretation de novo, and questions of statutory interpretation de novo.
PRECEDENTIAL VALUE	Published and precedential Colorado Supreme Court opinion
PARTIES	Perfect Place, LLC v. R. Parker Semler

TOPICS

quiet title

title disputes

deeds

statutory interpretation

appellate procedure

PRACTICE AREAS

real estate

condominium law

property law

appellate practice

QUESTIONS PRESENTED

1. Whether Watson validly subdivided the single garage condominium unit into separate condominium parking units by marking the spaces without executing and recording the amendments required by section 38-33.3-213 of CCIOA.
2. Whether the 2011 quitclaim deed was void for fraud in the factum when Watson understood that he was signing a quitclaim deed but was allegedly misled about the purpose and consequences of the transaction.
3. Whether the remaining issues concerning parking-space dimensions and attorney fees could be resolved before the chain of title was determined.

HOLDINGS

1. A condominium unit is not validly subdivided under section 38-33.3-213 of CCIOA merely by physically marking boundaries; the necessary amendments to the declaration, plats, or maps must be executed and recorded. Because no such documents were recorded, Watson did not validly subdivide the garage unit.
2. The quitclaim deed was not void for fraud in the factum because Watson understood that he was signing a quitclaim deed conveying any interest he might have had in the garage unit. Misrepresentations about the purpose of the deed may make it voidable, but they do not establish fraud in the factum absent ignorance of the nature of the instrument itself.
3. The court declined to reach the remaining issues concerning reallocation of parking-space dimensions and attorney fees because those issues could not be resolved until the superior chain of title was determined.

KEY QUOTATIONS

“Under the plain language of section 38-33.3-213(3), “no subdivision of units shall be effected” without executing and recording the necessary amendments to the condominium declaration, plats, or maps pursuant to section 38-33.3-217(3) and (5) of CCIOA.” (¶ 35)

“Crucially, subsection (3) states that “[n]o subdivision of units shall be effected” if the relevant documents are not recorded.” (¶ 43)

“A deed is void for fraud in the factum only where the grantor has been so fraudulently deceived about the nature of document that he or she is “excusably ignorant” about what he or she has signed.” (¶ 51)

“Accordingly, we reverse the judgment of the court of appeals and remand for further proceedings consistent with this opinion.” (¶ 60)

FACTUAL BACKGROUND

The condominium declaration identified the garage as a single 400-square-foot condominium unit containing parking spaces C, D, and E, but did not identify the spaces' boundaries or dimensions. After acquiring the garage unit, John Watson marked the spaces with paint or tape and later conveyed purported interests in spaces C and D to different buyers, without recording any amendment to the declaration, plat, or map. Perfect Place later obtained a quitclaim deed from Watson purporting to convey the garage unit and brought a quiet title action, while Semler claimed title to spaces C and D through subsequent deeds.

PROCEDURAL HISTORY

After a three-day bench trial, the trial court held that the garage unit had been validly subdivided, that the quitclaim deed obtained by Perfect Place was void for fraud and unclean hands, and that Semler owned spaces C and D. The Court of Appeals affirmed the subdivision and ownership rulings but reversed regarding the reallocation of parking-space dimensions and attorney fees. The Supreme Court granted Perfect Place's petition for certiorari, resolved the subdivision and fraud-in-the-factum issues, and remanded for determination of the resulting chain of title.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The lower court must conduct further proceedings consistent with the opinion to determine the resulting chain of title and which party holds superior title to disputed parking spaces C and D. The court may then address the unresolved issues concerning parking-space dimensions and attorney fees.

CASES CITED

- Perfect Place v. Semler, 2016 COA 152M
- In re Marriage of de Koning, 2016 CO 2, 364 P.3d 494
- Sunahara v. State Farm Mut. Auto. Ins. Co., 2012 CO 30M, 280 P.3d 649
- Kinder Morgan CO2 Co., L.P. v. Montezuma Cty. Bd. of Comm'rs, 2017 CO 72, 396 P.3d 657
- Trujillo v. Colo. Div. of Ins., 2014 CO 17, 320 P.3d 1208
- Bostelman v. People, 162 P.3d 686 (Colo. 2007)
- Whitaker v. People, 48 P.3d 555 (Colo. 2002)
- City of Lakewood v. Mavromatis, 817 P.2d 90 (Colo. 1991)
- Ryan Ranch Cmty. Ass'n, Inc. v. Kelley, 2016 CO 65, 380 P.3d 137
- Graven v. Vail Assocs., Inc., 909 P.2d 514 (Colo. 1995)
- Svanidze v. Kirkendall, 169 P.3d 262 (Colo. App. 2007)
- Bray v. Trower, 286 P. 275 (Colo. 1930)
- Martinez v. Affordable Hous. Network, Inc., 123 P.3d 1201 (Colo. 2005)
- Delsas ex rel. Delsas v. Centex Home Equity Co., LLC, 186 P.3d 141 (Colo. App. 2008)

- *Upson v. Goodland State Bank & Tr. Co.*, 823 P.2d 704 (Colo. 1992)
- *Concord Corp. v. Huff*, 355 P.2d 73 (Colo. 1960)
- *Deutsche Bank Tr. Co. Americas v. Samora*, 2013 COA 81, 321 P.3d 590

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