

2014 WL 8274909 (Colo.Dist.Ct.) (Verdict and Settlement Summary)

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Court Rescinds 99-Year Farming Lease Signed Under Duress From Daughter-In-Law

District Court of Colorado, Thirteenth Judicial District, Washington County.

Sulya v. Blake

Type of Case:

Elder & Vulnerable Adult • Financial **Abuse** & Neglect

Fraud & Misrepresentation • Business

Contracts • Breach

Contracts • Quantum Meruit

Fiduciary Duty • Real Estate

Personal Property • Conversion

Banking/Finance • Loans and Promissory Notes

Landlord/Tenant • Lease-Commercial

Specific Liability: Daughter-in-law caused widowed mother-in-law to sign legal documents, including a 99-year lease, that the mother-in-law would not have signed without duress and in a competent mental state

General Injury: Monetary damages; rescission of lease

Jurisdiction:

State: Colorado

County: Washington

Related Court Documents:

Plaintiff's complaint: [2012 WL 12023983](#)

Defendants' amended answer: [2013 WL 10094171](#)

Proposed trial management order: [2014 WL 7654008](#)

Plaintiff's trial brief: [2014 WL 7653955](#)

Defendants' trial brief: [2014 WL 7654009](#)

Findings of fact, conclusions of law and judgment: [2014 WL 7664586](#)

Case Name: Diana Sulya, as personal representative of the Estate of Maxine Blake v. Rhonda Blake, Rhonda Blake d/b/a Blake Farm & Ranch, and Blake Farm & Ranch LLC

Docket/File Number: 2012-CV-000025

Trial Type: Bench

Judgment: Plaintiff, Equitable; court granted rescission of 99-year lease

Range Amount: Equitable

Date of Filing: October 30, 2012

Verdict/Judgment Date: June 05, 2014

Judge: [Kevin L. Hoyer](#)

Attorneys:

Plaintiff: [George Ottenhoff](#), Lind & Ottenhoff L.L.P., Windsor, CO; [David T. McCall](#), Law Offices of David T. McCall L.L.C., Windsor, CO

Defendants: [Steven Furman](#), Bauer & Furman P.C., Fort Morgan, CO

Breakdown of Award:

\$0

The court granted the plaintiff's request for rescission of a 99-year lease that had been executed in favor of the defendants.

Summary of Facts:

Prior to 2005, Maxine Blake's husband was reportedly the sole owner 880 farming/livestock acres of real property in Washington County, Colo., and Maxine and her husband jointly owned 1120 similar acres also in Washington County, Colo. Pursuant to her husband's will and upon his September 2005 death, his 880 acres, farm machinery, tool and livestock passed in ownership to their son, Richard Blake, who had been partnering with his father in farming the property. Also, the 1120 acres that Maxine and her husband owned jointly passed to Maxine's sole ownership.

Following the ownership transfers of the properties, Richard and his wife, Rhonda Blake, reportedly continued farming both the 880 acres and continued renting/farming the 1120 acres. Shortly after her husband's death, Maxine executed a will that provided for her estate to be divided equally between her two children, Richard and Diana M. Sulya. According to this will, if either child predeceased Maxine, that child's spouse would inherit that child's share.

Richard then died unexpectedly as a result of a 2010 motorcycle accident. Maxine proposed to Rhonda that she continue renting the 1120 acres on a year-to-year lease that continued the practice of rent being one-third the value of the crops produced on the rented land. However, Rhonda apparently found the term unacceptable. Thereafter, Maxine changed her will to give most of her estate, excluding a few personal property and cash gifts, solely to Sulya. Further, in October 2010 Maxine loaned Rhonda \$30,000 that was supposed to be repaid in \$5,000 annual installments over the following years.

With Maxine then approaching her mid-eighties, circumstance began to change when Rhonda found out Maxine had changed her will so that the 1120 acres would solely be inherited by Sulya. Rhonda allegedly used undue influence to have Maxine sign a 99-year lease on the 1120 acres in favor of Rhonda. The 99-year lease reportedly included provisions for a rent of one-third of the value of the crop produced, for the property owner to continue paying all property taxes and for the property owner to pay one-third of all associated farming expenses such as fertilizer. Further, Rhonda had Maxine sign a power of attorney that allegedly gave Rhonda the ability to change the beneficiary of the government Conservation Reserve Program (CRP) annual

fund payments from Maxine to Rhonda. Finally, Rhonda also allegedly had Maxine transfer a one-half-interest in a mobile home, located on the 1120 acres, in which Rhonda and/or her family members were living.

As a result of Rhonda's conduct, Maxine filed a lawsuit against Rhonda, Rhonda d/b/a Blake Farm & Ranch, and Blake Farm & Ranch LLC. Following Rhonda's death, Sulya, as personal representative for Maxine's Estate, was substituted as the plaintiff. The plaintiff's claims against the defendants included fraud and undue duress related to the signing of the 99-year lease and the mobile home title transfer, breach of the \$30,000 loan contract, breach of fiduciary duty, unjust enrichment, conversion and civil theft. The plaintiff alleged the defendants had presented documents for Maxine to sign that she did not understand, had taken advantage of Maxine in her advanced age and depressed emotional state, and had exerted undue influence of Maxine.

As evidence, the plaintiff argued Maxine would have never knowingly signed the 99-year lease in favor of Rhonda, which completely encumbered the 1120 acres and gave very little true value in return, after having purposefully changed her will just months earlier so that Rhonda would not inherit any part of the 1120 acre property. Further, the plaintiff reported that Rhonda made one \$5,000 payment on the \$30,000 loan, in November 2010, but failed and refused to make the annual payments due thereafter.

Regarding damages, the plaintiffs sought rescission of the 99-year lease and the mobile home title transfer, \$25,000 as the outstanding amount owed on the \$30,000 loan, and an accounting and award for the CRP payments the defendants had wrongfully diverted away from Maxine, plus costs, interest and attorney fees.

The defendants denied any wrongdoing and asserted Maxine had signed all legal documents with full knowledge and intent. Further, the defendants argued Maxine had failed to pay her one-third share of the various farming expenses associated with the 1120 acres, as required under the lease, and/or contended the parties had agreed the defendants would absorb these farming expense costs in exchange for the annual \$5,000 payment on the \$30,000 loan.

The case proceeded to a bench trial. In its findings of fact and conclusion of law the court concluded the defendants had used undue influence to obtain the 99-year lease, granted rescission of the 99-year lease, held that instead of the defendants making the \$5,000 annual loan payment the parties had agreed to credit the defendants for paying Maxine's one-third obligation for the annual farming expenses on the 1120 acres, found the defendants were therefore entitled to a \$24,991.99 credit on the outstanding \$25,000 loan balance, and held the \$8.01 still outstanding balance on the loan was not yet in default because only \$5,000 was due each year.

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