1973

Property II: Final Examination (Spring 1973)

William & Mary Law School

Repository Citation

Spring, 1973

Property II

Mr. Curtis

Final Examination

1. (30 minutes)

Jack Landlord owned a three-unit apartment complex and on August 1, 1972, he placed the following ad in the local paper:

"To Rent. Three ideally situated apartments in residential area. Great for students or young married couples. Call Mr. Landlord, 229-3000."

After reading this ad, Tim Lessee called upon Landlord and on August 3, 1972, signed a lease with Landlord for one of the units, Apartment A, which contained no express warranties by Landlord. The lease provided that the term would commence on August 31, 1972, until July 31, 1973 at a monthly rent of $150. Also after reading the ad, Jake Tenant entered into an identical written lease for another unit, Apartment B. Sally Renter also entered in an identical lease with respect to the third unit, Apartment C.

On August 31, 1972, Lessee attempted to move into Apartment A, but was unable to do so because it was occupied by three Hells Angels who had unlawfully set up housekeeping in the unit. The Hells Angels refused to let Lessee enter, and Lessee told Landlord he considered the lease cancelled. Landlord too was intimidated by the squatters and refused to disturb them. Fortunately, on November 30, 1972, with the arrival of winter, the Hells Angels left town for Miami whereupon Landlord notified Lessee that the apartment was now available to him. Lessee told Landlord to "get lost," and on December 31, 1972, Landlord commenced an action against Lessee for rent in sum of $1,800.00.

Tenant had somewhat better luck than Lessee and on August 31, 1972, took up residence in Apartment B. The apartment had been modestly furnished by Landlord (the Lease described the premises as "a furnished apartment"). On September 1, 1972, during one of their parties in apartment A, the Hells Angels drove a motorcycle through the wall between Apartment A and B and in the process broke a water pipe. Tenant immediately turned all the water off and the next day asked Landlord to repair the damage. When by September 30, 1972, the water pipe had not been repaired, Tenant moved out and stopped paying rent. On November 20, 1972 Landlord let Apartment B to Art Links at a monthly rent of $100 and on January 1, 1973, instituted suit against Tenant for $1,600 in rents. Although the lease with Links was silent on such matters, Landlord at Link's request repaired the water pipe on December 15, 1972, the following day the pipe developed a small leak at the site of the repair and caused a puddle to accumulate in Apartment B. Not realizing that puddle had developed, Links casually stepped in it, slipped, and injured his back.

Miss Renter seemed to get along well in Apartment C until July 31, 1973, when, as females are wont to do, she could not decide whether to renew her lease. On August 3, 1973, she still occupied the apartment and gave Landlord a check for $150 stating, "This is for the September rent." Landlord accepted this check. On September 1, 1973, Miss Renter had found a better apartment elsewhere and with Landlord's consent got a friend, Pat Grey, to move into Apartment C. Although there was no written agreement between Miss Renter and Mr. Grey, each understood that Grey had succeeded to all rights and duties of Miss Renter. On December 1, 1973, Grey quit the premises, and Landlord has instituted suit against him and Miss Renter for $1,400 in rents.

Discuss.

2. (15 minutes)

On January 20, 1973, Sun Spiegel by written contract leased five acres of land to the Gamble Street Corporation for a period of twenty years. Assume that this lease was properly executed by all parties. At the time the lease was executed the land in question was virgin shoreline, but
both parties understood that Coopens would clear approximately 2 acres and erect in area cleared a warehouse. Coopens did in fact clear 2 acres and build the warehouse. In 1975 Coopens indicated it was about to clear the remaining acreage for parking and outdoor storage. Spigel, however, objected to the proposal of Coopens.

In 1993 Coopens, being unwilling to execute another lease, decided to dismantle the warehouse and relocate it on other land. Spigel objects to the removal of the warehouse.

(a) What remedies, if any, did Spigel have to prevent the clearing of the three acre parcel?

(b) What remedies, if any, does Spigel have to prevent removal of the warehouse?

3. (45 minutes)

(A) On January 2, 1973, W.A. Smith and P.L. Jones entered into the following contract:

"The contract between W.A. Smith, hereinafter called Seller, and P.L. Jones, hereinafter called Buyer, provides as follows:

1. Seller agrees to sell lot 5, White Oake Subdivision to Buyer.
2. In consideration for the above promise and conveyance, Buyer promises to pay Seller $25,000 in cash.
4. Seller to give General Warranty Deed.

Witness the following signatures this 2nd day of January, 1973.

S/W.A. Smith
S/P.L. Jones"

Jones retained attorney F. Lee Laws to examine title to lot 5, and on January 27, 1973, Laws advised Jones that Smith owned only an undivided half interest in lot 5. Smith asserted that while it was true that he had acquired only a half interest in the property by a deed delivered to him and recorded in 1972, he had acquired title to the entire fee by adverse possession. Not satisfied with Smith's explanation, Laws advised Jones not to close the sale. Is this advice sound?

(B) On January 15, 1973, a garage located on Lot 5 was struck by lightning and burned to the ground. Jones had intended to use this garage as an amateur radio shack and thus desired not to consummate the transaction.

(C) Regardless of your answers to parts A and B, assume Jones did close the transaction and took a general warranty deed from Smith. Assume further that in raising the purchase price, Jones borrowed $20,000.00 from F & M Bank and gave the bank a mortgage to lot 5 and thirty-year note.

(1) In 1974, Jones desires to tear down the house on lot 5 and erect thereon a building suitable for use as a radio repair business establishment. He estimates that the value of his proposed structure will be $30,000. The bank, however, objects to the proposal. What recourse, if any, does the bank have?

(2) In 1975, Jones, needing ready cash, borrows $15,000 from the First State Bank and to secure the loan gives the First State Bank a second mortgage to lot 5 and a note for $15,000 payable in 5 years. In 1976, Jones defaults in his payments to the First State Bank which, as it is permitted to do under the mortgage, the bank forecloses. The property at the time of foreclosure is worth $30,000. Assuming for examination
purposes that Jones at the time of foreclosure owes F & M Bank $19,000 and First State Bank $14,500, what are the rights of all parties?

4. (50 minutes)

On May 1, 1973, by valid written contract A agrees to sell to B and B agrees to buy from A for $10,000 Blackacre. A's attorney prepares a deed to B, which A signs, and delivers it to C with instructions to give the deed to B upon receiving $10,000 from B. However, C gives the deed to B without obtaining the purchase money and on May 10, 1973, B records this deed. On May 11, 1973, B sells the property to D by a deed containing a general warranty and a covenant of seisin; D records the deed the same day. On May 12, 1973, A learns of C's actions.

On June 1, 1973, D sells the property to E for $12,000 and gives E a deed of general warranty with a covenant of seisin. On June 15, 1973, D sells the same property to F for $12,000 by a general warranty deed with a covenant of seisin. E records his deed on June 16, 1973, and F records his deed on June 17, 1973. F sells the same property to G on September 1, 1973, by general warranty deed with a covenant of seisin for $13,000.

Discuss all issues raised above. Would your analysis be different in a notice and a race-notice state?

5. (15 minutes)

A owns Blackacre; B owns Greensacre which abuts Blackacre. By recorded deed A grants B a perpetual easement over Blackacre for the purpose of giving B access to a public road, thus

Thereafter A sells Blackacre to C by a deed which makes no mention of the easement. Thereafter B sells Greensacre to D by a deed which conveys Greensacre "and all its appurtenance." C then obstructs the right of way. What rights, if any, does D have?