



THE CHARTERED INSTITUTE OF LEGAL EXECUTIVES

UNIT 4–LAND LAW*

Time allowed: 1 hour and 30 minutes plus 15 minutes reading time

Instructions to Candidates

- You have **FIFTEEN** minutes to read through this question paper before the start of the examination.
- **It is strongly recommended that you use the reading time to read the question paper fully.** However, you may make notes on the question paper or in your answer booklet during this time, if you wish.
- **The question paper is divided into TWO sections. You must answer ALL the questions from Section A. There are three scenarios in Section B. You must answer the questions relating to ONE of the scenarios in Section B ONLY.**
- Write in full sentences – a yes or no answer will earn no marks.
- Candidates must comply with the CILEx Examination Regulations.
- Full reasoning must be shown in answers. Statutory authorities, decided cases and examples should be used where appropriate.

Information for Candidates

- The mark allocation for each question and part question is given and you are advised to take this into account in planning your work.
- Write in blue or black ink or ball point pen.
- Attention should be paid to clear, neat handwriting and tidy alterations.
- Complete all rough work in your answer booklet. Cross through any work you do not want marked.

Do not turn over this page until instructed by the Invigilator.

* This unit is a component of the following CILEx qualifications: **LEVEL 3 CERTIFICATE IN LAW AND PRACTICE**, **LEVEL 3 PROFESSIONAL DIPLOMA IN LAW AND PRACTICE**

SECTION A

(Answer ALL questions in Section A)

1. Give **three** examples of items included in the legal definition of land under s.205 Law of Property Act 1925.
(3 marks)
2. (a) Give **one** example of an easement.
(1 mark)
- (b) Name **two** of the essential characteristics of an easement from the case of *Re Ellenborough Park (1956)*.
(2 marks)
(Total: 3 marks)
3. What are the main features of an endowment mortgage?
(4 marks)
4. (a) Outline **one** of the tests used to distinguish between a fixture and a chattel (fitting), illustrating your answer with a decided case.
(3 marks)
- (b) Give an example of a fixture.
(1 mark)
(Total: 4 marks)
5. Explain how a constructive trust could arise. Illustrate your answer with a decided case.
(5 marks)
6. (a) In what year did the whole of England and Wales first become an area of compulsory registration of title on:
(i) sale of land;
(1 mark)
(ii) gift by inheritance?
(1 mark)
- (b) Name **three** advantages of registered title compared to unregistered title.
(3 marks)
(Total: 5 marks)

7. Outline **one** example of how an **implied** easement can be created.
(3 marks)
8. Give **two** pieces of information which can be found in the Property Register of land with registered title.
(2 marks)
9. What is the 'mirror principle' in relation to land with registered title?
(3 marks)
10. (a) What is meant by:
- (i) the benefit of a covenant;
(1 mark)
 - (ii) the burden of a covenant?
(1 mark)
- (b) In what ways can the benefit of a freehold covenant be transferred **in equity**?
(3 marks)
(Total: 5 marks)
11. Name **one** of the methods which may be used to create a mortgage of land with **unregistered** title.
(1 mark)
12. Name **two** remedies which may be ordered by a court in the case of trespass to land.
(2 marks)
- (Total Marks for Section A: 40 marks)**

Turn over

SECTION B

(There are three scenarios in Section B. Answer the questions relating to **ONE** of the scenarios **ONLY**)

Scenario 1

Amy owns a house (Green Cottage) with registered freehold title. When she bought the house it had a large garden at the side of the house. Some years after buying it, she lost her job and needed to raise some money. She wanted to keep her home where she was very happy so, to raise the money, she decided to sell part of the large garden as a building plot. Fred offered to buy the plot. Amy accepted his offer but she wanted to ensure that the value of Green Cottage (which is in a quiet residential area) was retained. So she insisted that, when she sold to Fred, the transfer to him would include a clause under which Fred agreed: "for the benefit and protection of Green Cottage not to erect more than one house on the land transferred".

After the transfer, Fred kept the plot for some time but he did not build anything on it. He then sold the plot to George. Amy is now concerned because George is starting to dig foundations for two houses. When she protested, he said that he knew nothing about her agreement with Fred and that anyway it was not binding on him as he was not a party to it.

Amy's money troubles continued so she feared that she might have to sell Green Cottage anyway. She consulted her lawyer over her problems with George and said that she wanted to have any difficulties settled before a possible sale. Her lawyer told her that her agreement with Fred could be binding on George if certain conditions were met.

He also gave her a Fixtures and Fittings Form to complete as a preliminary to any sale of Green Cottage.

Scenario 1 Questions

1. Amy's lawyer told her that her agreement with Fred would be binding on George if certain conditions were met.

Explain:

- (a) the nature of the agreement and the conditions to which her lawyer referred;

(5 marks)

- (b) whether the conditions exist in this scenario.

(5 marks)

(Total: 10 marks)

2. Amy's lawyer gave her a Fixtures and Fittings Form. What is this form and why was she asked to complete it?

(5 marks)

3. Amy has decided to sell her house and has found a buyer. Her lawyer is drawing up a contract for the sale.

Explain, stating the relevant statute, the necessary legal formalities for:

- (a) a binding contract for the sale of land;

(5 marks)

- (b) the document which will transfer the legal ownership.

(6 marks)

(Total: 11 marks)

4. Give **two** differences between a freehold and a leasehold estate.

(4 marks)

(Total Marks for Scenario 1: 30 marks)

Turn over

Scenario 2

Hassan, Farah and Abdul were friends who all worked in the same office. They all wanted to buy somewhere to live but, as none of them could afford to buy their own, they decided to buy a property together. They found a freehold house which they liked and which met their needs. They each contributed an equal amount to the price of the house and decided to buy as joint tenants. Abdul often travelled abroad and said that he did not want to be bothered with a lot of paperwork. So the property was registered in the names of Hassan and Farah only.

The three of them moved into the house and lived there for two years. Then Farah died. She left a valid will giving all her property to her mother, Reema.

For a while after Farah's death, Hassan and Abdul stayed on in the house. However, Hassan did tell Abdul that he expected to be offered a job in another branch of their firm in a different part of the country. He added that if this happened he would need to move house.

Believing that Hassan was not speaking about any definite plans, Abdul went abroad on a long trip. When he returned, he was horrified to find that Hassan had put the house up for sale. Abdul objected to the sale. He said that he should have been consulted over the intention to sell and he wanted to remain in the house. Hassan told him "Now that Farah has died, the house is in my sole name so it all belongs to me. I have found a buyer and will be selling soon". Abdul said that he would go to court if necessary to prevent the sale from going ahead.

Reema, Farah's mother, has heard about the proposed sale and says that she wants her share of the proceeds.

Hassan has now learned that the buyer has been advised by his lawyer that the purchase money should not be paid to Hassan alone.

Scenario 2 Questions

1. Explain whether Reema has any interest in the house.

(5 marks)

2. Explain whether Abdul had a right:

(a) to continue to occupy the house;

(5 marks)

(b) to be consulted over the sale.

(4 marks)

(Total: 9 marks)

3. Abdul said that he would stop the sale by applying to court.

(a) Under which statutory provision would he apply and why does he have the right to do so?

(3 marks)

(b) What statutory factors would the court use in considering his application and what would be the likely outcome?

(5 marks)

(Total: 8 marks)

4. The buyer's lawyer has advised against paying the purchase money to Hassan alone. Explain why he gave this advice.

(8 marks)

(Total Marks for Scenario 2: 30 marks)

Scenario 3

Some years ago, Joanna bought a house, with registered freehold title, to use as her home. She had planned to fund the purchase using her savings and an inheritance which she had recently received. As her salary was rather low she did not want to have a mortgage loan right at the start. However, when she found the house to buy, her savings and the inheritance combined fell just short of the purchase price. Joanna told her elderly father, Ken, about this. He said he would make a contribution of money to help her. He did warn her that he might need to have the money back at some time. With this assistance Joanna was able to buy the house and it was registered in her name.

Some time afterwards, Ken had a bad fall so that he was likely to become permanently disabled. Joanna realised that sooner or later he would not be able to manage on his own and would need to come to live with her. She decided to make some alterations to her own house to make it suitable for Ken.

As she had no savings left, she obtained a small mortgage loan from Manor Bank plc to fund the cost of the alterations. The loan was guaranteed by Michael, Joanna's brother, and was secured by a legal charge on the house. Joanna did notice that the mortgage document said that the loan could not be repaid before 10 years, but she did not think that this was anything to worry about. Before making the loan, the Bank had checked Joanna's land register entries and was satisfied that no third-party interests were shown on the register.

A year after all the alteration work was completed, Ken moved into the house and from that time it has been his permanent home.

Scenario 3 Questions

1. The mortgage from Manor Bank plc (the Bank) was on a capital repaid basis.

Explain:

- (a) **two** of the main features of this type of mortgage;

(2 marks)

- (b) what step the Bank needed to take to protect its mortgage loan against future buyers or lenders of Joanna's house.

(3 marks)

(Total: 5 marks)

2. The mortgage contained a term that it could not be repaid before ten years. If Joanna wants to repay it before that time, explain whether the Bank can refuse to let her do so.

(5 marks)

3. The Bank has found that Ken is now living with Joanna. Explain whether he has any interest which is binding on the Bank.

(8 marks)

4. Suppose Joanna fails to pay the mortgage instalments and has no spare money to do so, and she is still living in the house.

Explain:

- (a) **one** of the remedies which the Bank is most likely to use against her, giving a reason for your choice;

(6 marks)

- (b) the position of the mortgage guarantor, Michael.

(3 marks)

(Total: 9 marks)

5. Suppose that Joanna's father, Ken, died some time after coming to live with her. She now wants a complete change. She plans to work abroad for a long time and to let her house while she is away. The lease will be for ten years.

Explain whether the lease should be registered at the Land Registry and, if so, whether Joanna or the new tenant will be responsible for registration.

(3 marks)

(Total Marks for Scenario 3: 30 marks)

End of Examination Paper

BLANK PAGE

StudentBounty.com

BLANK PAGE

StudentBounty.com

BLANK PAGE

StudentBounty.com