#### ST MARY'S UNIVERSITY LAW SCHOOL

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- 1. This examination consists of ten (10) pages, including this page as the first, 25 direct questions worth 50% and 1 essay worth 50% of the examination.
- 2. You will have three (3) hours in which to complete the examination.
- 3. St. Mary's Law School prohibits the disclosure of information that might aid a professor in identifying the author of an examination. Any attempt by a student to identify himself or herself in an examination is a violation of this policy and of the Code of Student Conduct.
- 4. A student shall not remove the examination from the examination room during the exam time.
- Answer the 25 direct question on this examination in the space provided and the essay on the paper (bluebooks, etc.) provided. You may not have any other paper with you. This is a closed book exam. You may not have any study materials with you in the examination room. Use the principles of law presented and covered in class to write your examination.
- 6. Turn in all papers including your written answers, all scratch and trashed paper AND THIS COMPLETE EXAMINATION with the pledge signed.
- Answer the direct questions tersely, concisely, to the point and abstractly, that is, not by example <u>unless</u> an example is requested! Your answer on the essay will be considered complete if you delineate the specific legal issue including all reasonable legal alternatives raised by the facts, showing why each is a legal problem, stating the law applicable and applying the law to a conclusion. Bare conclusions are not credit-worthy. You must make reasonable assumptions of fact to explore reasonable alternatives if there are ambiguities or incomplete facts. You may mark up and make notes on the examination as you wish but you must turn it in as a part of your completed work. You may use a <u>reasonable</u> number of standard abbreviations if you me know the first time what the abbreviation means.
- 8. After reading the oath, place your exam number in the space below. If you are prevented by the oath from placing your exam number in the space below, notify the student proctor of your reason when you turn in the examination.
  - I HAVE NEITHER GIVEN NOR RECEIVED AID IN TAKING THIS EXAMINATION, NOR HAVE I SEEN ANYONE ELSE DO SO.

| 43          | 176    |
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| <b>EXAM</b> | NUMBER |

## Part I (25 Direct Questions – 2% each: total – 50%)

|    | Identify and discuss three criteria of an efficient system of property rights as set forth in Posner's "Economic Theory of Property Rights." |
|----|--|
| 2. | Name three of the four groups of non-traditional property interests and give an example of each.   |
| 3. | Give an example of an "involuntary bailment."  |
| 4. | Give an example applying the Common Law doctrine of "Worthier Title."  |

## Part I (25 Direct Questions – 2% each: total – 50%)

| organi. | Explain the legal result in a situation where A owning no land conveys Blackacre (B/A) to B by quitclaim deed and then subsequently acquires B/A? |
|---------|---|
| 2.      | Give an example how after-acquired title can be lost to a Bona Fide Purchaser (BFP).  |
| 3.      | What are the requirements to claim an easement by necessity implied in reservation?   |
| 1,      | According to the Common Law, is an easement reserved in favor of a third party enforceable? Explain.  |
| 5.      | Give an example of the creation of an implied restrictive covenant (also termed a reciprocal negative easement).                                  |

# PROPERTY I (LW 6711 D) Professor Aloysius A. Leopold

| 6. | Give one differentiating factor between an easement in gross and a license.                            |
|----|--|
| 7. | Give two methods (other than by express agreement) by which a restrictive covenant may be terminated.  |
| 8. | Give an example of the violation of the civil law "natural flow" theory with regard to surface waters. |
| 9. | Give two methods by which a stream may be navigable under Texas Law.                                   |

### PROPERTY I (LW 6711 D) Professor Aloysius A. Leopold

| 10.      | What is the Western theory of "prior appropriation" with regard to stream water.   |
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| posset . | What is the English Rule to determine the measure of damages where the seller and buyer have signed an expressed contract to convey land and because of a title defect, seller cannot convey marketable title? |
| 12.      | How can time be made "of the essence" in contract to convey land?  |
| 13.      | Define the implied covenant of marketability.  |
| 14.      | Give an example of the application of equitable conversion in a contract to sell land.   |

| 20. | In a "chain of title" search jurisdiction, is a grantee on constructive notice of a deed made by a remote grantor after the deed under which grantee claims, concerning the same land? |
|-----|--|
| 21. | Name three possible defects in title which a title search would ordinarily not discover, but which a title policy will guard against.  |
| 22. | May adverse possession run against a non-possessory interest?  |
| 23. | Give two methods by which a seller, who buys a policy of title insurance for buyer, can protect himself against liability through subrogation.   |
| 24. | How long will a real covenant for title run with the land?   |

2.

In 2000, X owned a tract of land in Anytown, U.S.A. He had the property surveyed off into 6 lots and platted, naming it the "Peace Park." The plat was approved by proper authority and recorded. X sold Lot 1 to A for cash. X intended to make his home on Lot 6, and it occurred to him that some restrictions were in order to preserve the neighborhood. He drew up, signed and filed of record the following instrument.

"The undersigned, developer of Peace Park, an addition to Anytown, U.S.A., in order to secure high standards of humanity, morale and rapport among the owners of the several lots, do place the following restrictions on said subdivision:

- 1. Only owner-occupied residences shall be allowed.
- 2. No owner, other than the undersigned, shall convey the owned lot or lots until said owner shall have owned same for at least ten years. The purpose of this restriction is to insure stability of ownership, and in the event undue hardship would result from enforcement of this restriction, the undersigned developer or any subsequent owner of Lot 6 may, upon request, dispense with same."

X then conveyed Lot 2 to B, and Lot 3 to C. He entered verbally into a ten-year contract to sell Lot 4 to D. D was to pay \$1,000 per year, was entitled to immediate possession and to receive a deed when payment was made in full. D immediately took possession and planted a garden on the lot.

In 2001, A built a residence on Lot 1, and leased it to E. B built a drive-in grocery on Lot 2. C built a residence on Lot 3, and moved in with his family. His employer promptly transferred him, and, without consulting X, C sold to F, who immediately moved in with his family.

X, seeing his subdivision disintegrating before his eyes, sues all other owners and prior owners to enforce the restrictions.

A sues to require B ro remove the drive-in grocery as being contrary to the restrictions.

D sues to set aside the purchase contract on Lot 4, to get back the money he has paid and for damages.

Determine the rights and liabilities of all parties with full legal explanation.

25. What is an abbreviated abstract (also called a run-sheet or title run)?

### Part II (Two Essay Question - Total 50%)

powered.

A, the owner of Blackacre, a vacant city lot in San Antonio, Texas, entered into negotiations to sell the lot to B for \$10,000. A had his attorney draw a General Warranty Deed, in regular statutory form, which he signed and had acknowledged, describing the property, but naming no Grantee. A handed the deed to B so that B could take it to his attorney for approval and then to return it to A until B could raise the money. On the way to his attorney, B dropped the deed, and C, a sharp-eyed swindler standing nearby, immediately picked it up, filled in his own name as Grantee, and recorded it. He then offered the land to D for \$5,000. D's attorney, after carefully checking the records, advised D that title was good in C, and so D immediately bought the lot taking a Special Warranty Deed from C which he filed of record immediately. The deed specifically negated all other covenants.

Meanwhile, B, realizing that he had lost the deed, advised A, who drew another deed in regular statutory form. On advice of his attorney, however, A added at the end, "All covenants of Warranty are negated." The deed was properly executed and acknowledged, and A handed it to B in return for \$10,000. B recorded the deed the same day; one day after D had recorded his deed from C.

Both B and D arrived at the vacant lot at the same time the following day to take physical possession. Their initial skirmish was resumed some time later in the Courthouse with A, B, C, and D all present with their attorneys.

Your problem? Determine and explain the legal rights and obligations of all parties.