INSTRUCTIONS TO CANDIDATES

1. This examination paper contains THREE (3) questions and comprises FOUR (4) printed pages including this page.

2. Answer the question in Section A and either of the two questions in Section B.

3. Where a question is divided into parts, candidates must answer all parts of the question. The division of marks between the parts is at the examiners' discretion.

4. This is a closed book examination.
SECTION A

Question One must be answered

QUESTION ONE

John was the registered proprietor of the fee simple of 10 Conveyancing Road. In January this year he was sent to work overseas by his employer. As his friend, Michael, needed somewhere to live, John said that Michael could stay at the property while he was away. After John left the country, Michael found the certificate of title to 10 Conveyancing Road in a cupboard in one of the rooms.

Without telling John, Michael rented out the property in February to Thomas for eight years. Michael forged John’s signature on the lease, but Thomas was unaware of this. Michael collected the rent from Thomas and kept it for himself. Thomas neglected to register the lease.

In April, purporting to be John’s agent, Michael entered into a contract to sell the property to Peter. The contract for sale stated that the property was sold “subject to the lease granted to Thomas”. Michael forged John’s signature on the contract.

In July, Michael forged John’s signature on the transfer to Peter, which was duly registered.

Peter, who knew that John was out of the country, was puzzled as to how he had signed the documentation. Michael told him that he had sent the papers to John overseas for signature.

John has now returned to Singapore and found out what has happened. Michael has vanished. John wants to evict Thomas and get title to his property back.

Peter insists that the property is his. He wants to evict Thomas, so that he can live there himself.

Discuss.
SECTION B

Answer either Question Two or Question Three

QUESTION TWO

Barbara, who is the registered proprietor of the fee simple of 5 Juniper Grove, wanted to set up a new business selling batik clothing. She executed a registered mortgage of 5 Juniper Grove to Textile Industries Pte Ltd to secure a loan of $1 million. The mortgage provided for repayment over a period of ten years by monthly instalments including interest. One of the terms of the mortgage was that Barbara should buy all her supplies of batik clothing from Textile Industries Pte Ltd during the currency of the mortgage and for a period of twenty years thereafter.

Consider all of the following alternative fact situations:

(a) Barbara has paid off the mortgage and now wants to obtain her supplies of batik clothing directly from an Indonesian company, which can sell them more cheaply. Textile Industries Pte Ltd insists that she must buy all her supplies from them.

(b) Barbara’s business has fallen on hard times and as a result, she was two weeks late paying the instalment due this August under the mortgage and has not made any payments under the mortgage since then. What remedies are available to Textile Industries Pte Ltd in this situation?

(c) Barbara stopped making any payments under the mortgage over a year ago. As a result, Textile Industries Pte Ltd sold 5 Juniper Grove in June this year for $2 million. Barbara is unhappy about this because there were rumours at the time that a new MRT station would be built within walking distance of Juniper Grove. An official announcement was expected towards the end of the year. In fact, it was announced last month that a new MRT station would be built very near Juniper Grove, and as a result property prices in the area have increased by at least twenty per cent.
QUESTION THREE

(a) Larry, who owns the fee simple of 36 Concerto Street, let it for three years to Roberta.

The lease contains *inter alia* the following covenants:

1. The tenant covenants not to assign or sublet the premises without the permission of the landlord.

2. The tenant covenants not to make any alterations to the premises.

Having obtained Larry's consent, Roberta assigned the lease to Teresa last year. Without informing Larry, Teresa took in a student, Susan, as a lodger. Teresa provides Susan with breakfast and dinner every day and cleans her room every week.

As Susan needs somewhere to keep her books, she has installed bookshelves in her room, nailing the shelves to the wall with brackets.

Larry has now discovered what has happened and seeks your advice.

(b) Assume that the facts are as above, but that Larry decides not to take any action. However, subsequently, Teresa does not pay the rent due under the lease for six months.

Advise Larry as to his remedies in respect of non-payment of the rent as against (a) Roberta, (b) Teresa and (c) Susan.

END OF PAPER
INSTRUCTIONS TO CANDIDATES

1. This examination paper contains TWO (2) questions and comprises THREE (3) printed pages inclusive of this cover page.

2. Answer BOTH questions.

3. Where a question is divided into parts, candidates must answer ALL parts of the question. The division of marks between the parts is at the examiners' discretion.

4. This is an OPEN BOOK examination.
ANSWER ALL QUESTIONS

QUESTION ONE

(a) Betty was the registered proprietor of #05-15 Hexa Heights, a freehold flat which is currently occupied by a tenant, Thomas. Last year someone claiming to be Betty went to Muchmoney Bank and applied for a loan of $500,000 repayable by monthly instalments of capital and interest over a ten year period on the security of a mortgage over #05-15 Hexa Heights. This person gave as her address a post office box number and told the bank not to write to her at #05-15 Hexa Heights, as the property was tenanted.

The bank decided to grant the mortgage and asked “Betty” to go to their solicitors’ office to sign the necessary paper work. The impostor, “Betty”, who had obtained from the Registry of Titles a replacement certificate of title of #05-15 Hexa Heights, signed the mortgage. In breach of a standing instruction from her employers, the conveyancing clerk, who witnessed “Betty” sign, did not check her identity card. The mortgage has now been registered.

No payments have been made under the mortgage for the last six months. Muchmoney Bank wrote to Betty at the post office box address threatening to sell #05-15 Hexa Heights. Not having received any reply, they wrote to her at #05-15 Hexa Heights and Thomas forwarded the letter to Betty unopened. Betty wrote back to say that she did not sign the mortgage and knew nothing about it until she received Muchmoney Bank’s letter. Betty seeks your advice.

(b) How would it affect your advice if the following had occurred?

Betty told Thomas about the letter she had received from the bank. Thomas expressed his sympathies for her predicament, but immediately phoned Muchmoney Bank offering to buy the freehold of the flat for $1 million. The bank had not yet put the flat on the market, but Charles, the clerk handling the matter at the bank, had asked a friend, who was an estate agent, for a rough valuation. He was told that the current market value was no more than $1 million, so the bank accepted Thomas’s offer. Thomas has now been registered as the proprietor of #05-15 Hexa Heights.

Betty has found out what has happened. She is particularly annoyed because she is a member of the collective sales committee for Hexa Heights. The committee is currently considering offers for the en bloc sale of the condominium under which the owner of #05-15 Hexa Heights stands to get considerably more than $1 million.
QUESTION TWO

Jacob, the owner of a large catering business, was a multi-millionaire. He was unmarried and lived in a large house at 6 Tin Bong Park, of which he is the registered proprietor. Twenty years ago, Sebastian, Jacob’s nephew, who had just completed his national service, started to work in his uncle’s catering business. Jacob told Sebastian that as he had no children of his own, if Sebastian continued to work for him, he would leave 6 Tin Bong Park to him.

Sebastian has worked in his uncle’s catering business since then, becoming a manager some ten years ago. However, Sebastian’s salary has always been considerably lower than that of his co-workers. Jacob refused to increase his salary, saying that some day 6 Tin Bong Park would be his. For the last twenty years Sebastian has been living rent free in accommodation provided by his uncle.

Jacob, then in his eighties, suffered a fall a few years ago, which left him disabled. Sebastian would often do odd jobs around the house and run errands for his uncle. He also paid $100,000 to have ramps and chair lifts installed at 6 Tin Bong Park.

Jacob died six months ago, leaving a will appointing another nephew, Albert, who has lived in the United States for the past thirty years, as his executor and leaving Albert his entire estate. Sebastian has just heard that Albert has entered into a contract to sell 6 Tin Bong Park to Peter with completion fixed for 1 December 2010.

Advise Sebastian generally as to his rights. In particular, Sebastian is concerned to know whether he can stop the proposed sale of 6 Tin Bong Park and, if so, how?

-END OF PAPER-