Question 1

Ten years ago, a woman and her husband purchased a one-story commercial building in a city in

State A “as joint tenants with right of survivorship and not as tenants in common.” They had a

“commuter marriage.” The husband lived in an apartment in State A. The woman, who worked

for an international corporation, lived in a rented apartment overseas. They met one weekend

each month.

Three years ago, the husband borrowed $150,000 from a friend and granted the friend a

mortgage on the commercial building to secure repayment of the loan. The husband used the

$150,000 to purchase a yacht. The certificate of title for the yacht was issued in his name alone.

Two years ago, the husband leased the building to a commercial tenant for a 10-year period at an

annual rent of $9,000, “payable in equal monthly installments solely to” the husband.

The woman did not know about either of these transactions, and she did not join in the mortgage

or the lease.

Last year, following the husband’s unexpected death, the woman first learned of the mortgage

and the lease.

State A applies the title theory of mortgages, and its courts strictly apply the common law four unities

test. State A does not recognize tenancies by the entirety.

1. Did the husband’s execution of the mortgage sever the joint tenancy? Explain.

2. Assuming that the execution of the mortgage did not sever the joint tenancy:

(a) Did the husband’s execution of the lease sever the joint tenancy? Explain.

(b) Assuming further that the lease severed the joint tenancy, then upon the husband’s

death, what rights, if any, does the tenant have in the building? Explain.

3. Assuming that neither the mortgage nor the lease severed the joint tenancy:

(a) During the spouses’ lifetimes, was the woman entitled to half of the rental income

payable to her husband under the lease? Explain.

(b) At the husband’s death, what rights, if any, do the woman and the tenant have in the

building? Explain

QUESTION 2:

Eighty years ago, Owner, the owner of vacant land known as Blackacre, conveyed Blackacre to a

local school district (School) “if School uses Blackacre only to teach children aged 5 to 13.”

Shortly after acquiring title to Blackacre, School erected a classroom building on Blackacre and

began teaching children aged 5 to 13 in that building.

Seventy years ago, Owner died and left his entire estate to Daughter.

School used the classroom building to teach its students aged 5 to 13 until three years ago when,

due to increasing enrollments, School built a new classroom building three miles from Blackacre

and converted the classroom building on Blackacre into administrative offices.

The building on Blackacre is now exclusively occupied by administrative offices, and all School

students aged 5 to 13 are taught in the new classroom building.

Two years ago, Daughter died. Daughter did not object to School’s altered use of Blackacre before

her death. She devised her entire estate to her Husband for life, with the remainder to “my surviving

children.” Daughter was survived by Husband and two children, Ann and Bill.

One year ago, Bill died. Bill’s entire estate passed to his wife, Mary.

One month ago, Husband, the life tenant under Daughter’s will, died. Husband was survived by

Ann and by Bill’s widow, Mary.

State law provides:

I. “Actions to recover the possession of real property shall be brought within 10 years

after the cause of action accrues.”

II. “All future interests are alienable, devisable, and descendible to the extent they do

not expire as a result of the holder’s death.”

III. “Conditions and limitations in a deed shall not be construed as covenants.”

There are no other relevant statutes.

What interests, if any, do School, Ann, and Mary have in Blackacre? Explain.