

FINAL EXAMINATION
PROPERTY II
PROFESSOR BERNHARDT
FALL 2005

1. You have **three (3) hours** to complete both parts of this exam. You may allocate your time as you wish.
2. This is an **open** book exam. You may use any written materials you wish.
3. There are two parts to this exam:

PART ONE consists of 50 multiple choice questions and constitutes **2/3** of the examination. You should try to complete this part in two hours. Correct multiple-choice answers are to be marked on the ParSCORE answer sheet form provided using pen or pencil and following the instructions on that form. If you change your answer, place an **X** through the wrong answer and mark the correct answer. A machine will score the exam and any ambiguities will be counted as a wrong answer.

PART TWO consists of one essay question and is worth **1/3** of the examination. Write your responses in the blue books provided. Write clearly and **legibly**. Write on every other line and every other page to permit instructor comments. If you are using exam software and typing your answers, be sure to frequently save to the diskette.

4. Write your exam number on your exam envelope. Put your correct class section and student exam number at the top of this page, each page of questions, each blue book, and the ParSCORE test form. **Do not** use your name, student ID number or Social Security Number on any exam materials.
5. At the conclusion of the exam, return all exam materials to the exam envelope and submit it to the proctor. Do not seal the envelope. **Failure to return this exam with all its pages intact will result in a failing grade.**

PART II ESSAY QUESTION
SPECIAL INSTRUCTIONS

1. This question constitutes 1/3 of the exam.
2. There is one rather compound question; be sure to respond to all issues you find in it.
3. Read the facts carefully. Answers based on incorrect facts are incorrect answers.
4. If you think important facts are missing or badly stated, make explicit assumptions about them. Do not make assumptions that are unreasonable or that make the entire issue vanish.
5. Read the call of the question carefully; don't answer questions that haven't been asked.
6. You should try to organize your thinking beforehand, so that relevant points are put in the right places.
7. Type or answer in blue books. You may abbreviate where appropriate. Write legibly on every other line and one side of each page only. **Illegible answers are not read.**

If, in conjunction with analyzing and writing your answer, you think that the language of any particular document would be appropriate to refer to, assume that they are all similar to those found in the Casebook (not the Supplements).

Pearl and Omar signed a contract for the purchase of Omar's house. Since Pearl was certain that she was going to win the lottery, she had not made her offer contingent on getting a loan, and she is appalled at how much a loan will cost her. She would like, therefore, to call the deal off, if she can, and she visits you for your advice. She wants to know if any of the following facts will help her get her out:

- a) Pearl's preliminary title report states that Omar's title is subject to a mortgage held by Mort, and that mortgage contains the statement: This mortgage is subject to the existing mortgage now held by Lana, although the preliminary report notes that there no record of any mortgage on the property held by Lana. Omar has informed Pearl that he will have Mort's mortgage paid off out of the purchase price.
- b) During Pearl's examination of the house, Omar's neighbor Nora told her that there had once been a gas station on the property, which had been torn down and replaced with the present house about 30 years ago.

- c) Pearl has received a call from Wanda, Omar' ex-wife, who said that Omar needs to have her signature on the deed, because the house was community property while they were married and the quitclaim deed that Wanda gave Omar as part of the divorce, spelled her name as Wandy rather than Wanda making it invalid. (Pearl's preliminary report, however, shows Omar as the sole owner).

Pearl also reports that she asked Bernice (who was the dual agent broker on the deal) about these matters, but Bernice told her that none of them were significant, that she could not get out of the deal, and that she would be liable to Bernice for her lost commission if she did do so. Pearl doesn't think Bernice and Omar should be upset, since prices have gone up significantly in this past month after she originally signed the contract with Omar, so that he could surely sell his house for even more now if he did put it back on the market.

In advising Pearl, keep in mind the fact that you previously represented Ford, the former owner of the house in his sale to Omar and that you did speak to Omar on some occasions in conjunction with his purchase from Ford. But, in no event, should that interfere with your making a complete analysis of Pearl's matters on this exam.

END OF EXAM