

**Part I: Essay Question**  
**Allotted Time: 1 hour**

Able owned Whiteacre in fee simple absolute. In 2006, Able gave Baker a written deed granting Baker a life estate in Whiteacre. The deed identified Able as grantor and Baker as grantee, described Whiteacre, and was signed by Able. Baker did not record the deed. Baker built a house on Whiteacre and resided in it. Baker also farmed the property and sold vegetables to the public from a barn on Whiteacre every Wednesday.

In 2007, Able conveyed Whiteacre to Mary in fee simple absolute by a valid general warranty deed that contained all the typical covenants but did not mention Baker's life estate. Mary paid Able \$150,000 for Whiteacre and recorded her deed.

In 2008, Mary borrowed \$100,000 from Bank secured by a mortgage on Whiteacre. Bank conducted a title search but did not physically inspect Whiteacre. Bank recorded its mortgage. Mary defaulted on the loan.

In 2009, Bank lawfully foreclosed on Whiteacre and had it appraised. The appraiser determined that Whiteacre had a fair market value of \$150,000 without Baker's life estate. The appraiser further determined that if Baker retained his life estate, however, Bank's vested remainder in Whiteacre had a fair market value of only \$60,000. Bank intends to sell its interest in Whiteacre and to sue Mary for the difference between the sale price and the loan balance.

The following statute is in force in this jurisdiction:

Every conveyance or grant that is not recorded is void as against any subsequent good faith purchaser who provides valuable consideration and whose interest is first duly recorded.

The statute of limitations in this jurisdiction is three (3) years.

1. What interests, if any, does Baker have in Whiteacre? Discuss.
2. What interests, if any, does Bank have in Whiteacre? Discuss.
3. What claims, if any, may Mary assert against Able? Discuss.

**END OF EXAM**  
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