



THE LAW SOCIETY OF SCOTLAND
QUALIFIED LAWYERS ASSESSMENT

CONVEYANCING

3 November 2020

0930 – 1030
(One hour)

Candidates are required to answer TWO out of three questions.

Question 1

Phillip leased a commercial unit in a shopping centre from Rebecca. Rebecca owns the whole shopping centre. The lease has term of 30 years and it was duly registered.

The lease includes an option to purchase and a term which entitles Phillip to a reduction of rent if he undertakes certain specified maintenance tasks in relation to the rest of the shopping centre.

As originally registered, the lease was FRI. However, 3 years ago, Rebecca and Phillip executed a variation under which Rebecca agreed to pay 50% of the cost of reinstatement at the end of the lease and Phillip agree to an increase in the rent of £3000 per month. The variation was never registered.

Rebecca has now sold the shopping centre. The new landlord is seeking to enforce the new rent but wants to employ a contractor to undertake the maintenance formerly undertaken by Phillip, depriving Phillip of the opportunity to earn the rent reduction. He has also indicated that he does not consider himself bound by either the option to purchase and considers Phillip bound to make full repairs at the term of the lease.

Advise Phillip.

Question 2

Ferdinand purchased a farm in Wester Ross 9 months ago. He has lived the farm and worked it since his purchase. He bought the farm from Edwin, who had lived on and worked the farm for 4 months before the sale to Ferdinand. The transfer to Edwin had triggered first registration of the farm. He has recently been contacted by his neighbour, Geraldine. She points out that a portion of the hill land included on Ferdinand's title sheet was also included in her title. Investigation of the conveyancing history shows that the land in question had been erroneously included in Edwin's title when it was first registered.

The land in question has been grazed by sheep belonging to both Ferdinand and Geraldine since he moved onto the farm. Neither Ferdinand nor Geraldine has been on the property for any purpose other than gathering sheep.

Who owns the land covered by the overlap? Is the Keeper obliged to rectify and the register and is she obliged to make any payment to either Ferdinand or Geraldine?

Question 3

James is a director of Pretty Properties Ltd. There is one other director, Karen. Pretty Properties owns a block of flats in Dundee. It was recently valued at £1 500 000. They have recently agreed terms with the Bank of Alba plc to borrow £200 000, secured on the block of flats. There is an existing security over the property, securing all sums due and to become due to the Royal Bank of Caledonia plc. £300 000 is currently owed to the Royal Bank of Caledonia.

- A. Is it possible for Bank of Alba plc to ensure that its security will not be put at risk by further advances made by Royal Bank of Caledonia plc? What is the best way of protecting against this risk?

- B. Karen has fallen ill and is not in a position to sign the deed granting the standard security. Are both James' and Karen's signatures necessary for the deed to be (a) validly granted and (b) accepted by the Keeper for registration.

END OF QUESTION PAPER