#### **GUERNSEY BAR EXAMINATION**

09:30AM, TUESDAY 20 MAY 2025

PAPER THREE

**PROPERTY LAW** 

THREE HOURS

CANDIDATES ARE REQUIRED TO ANSWER ALL QUESTIONS.

THE TOTAL MARKS AVAILABLE FOR EACH QUESTION ARE SHOWN BELOW.
NOT ALL QUESTIONS CARRY EQUAL MARKS.

- QUESTION 1 25 MARKS
- QUESTION 2 25 MARKS
- QUESTION 3 25 MARKS
- QUESTION 4 25 MARKS

PLEASE WRITE LEGIBLY AND ENSURE THAT YOU ANSWER EACH QUESTION ON A SEPARATE SHEET OF PAPER. PLEASE WRITE ON ONE SIDE OF THE PAPER ONLY AND LABEL EACH SHEET CLEARLY WITH:

- NAME OF PAPER
- CANDIDATE LETTER
- QUESTION NUMBER
- PART NUMBER OF QUESTIONS (if applicable)

# Question 1 (25 marks)

You act for Lucy Langlois (Lucy) who instructs you as follows:

Vladimir Abramavor (Vladimir) was from Rusfania, an Eastern European state. His family were from there, and he was born and brought up in that country. He had a wife there, who had one child by him, Gregori.

Vladimir moved to Guernsey five years ago, on a temporary basis, to work in the finance industry. His wife and child remained in Rusfania, as they had become estranged, but they never divorced.

Between moving to Guernsey and his death, Vladimir never left Guernsey.

Whilst Vladimir was in Guernsey he formed a relationship with Lucy, and they had a child together, Pebble.

Vladimir had no significant assets until last year when he inherited a million pounds from his uncle, Fydor. The money was received by Vladimir and was paid into the Guernsey Royal Bank. Vladimir never touched the money, and it remains in the account at the bank.

Shortly after Vladimir received this money, he and Lucy split, having fallen out as Vladimir wished to return to Rusfania. He had always intended to do this, but he wanted Lucy and Pebble to return with him, and for them all to start a new life there.

On 20 April 2025, Vladimir was killed in a freak accident, when a bookcase fell on him at work.

A note in Vladimir's handwriting, was found at the flat in which he was living at the time of his death. The note said, "I give the money which is in the Guernsey Royal Bank to Lucy and Pebble."

Vladimir signed the noted and dated it 7 March 2025, shortly before he and Lucy split.

You consult a Rusfanian lawyer who tells you that under domestic Rusfanian law:

There is a 'forced heirship' scheme operating in Rusfania, whereby one quarter of a deceased person's estate must pass to his or her spouse, and one quarter must go (in equal shares) to the deceased's children (both legitimate and illegitimate). Subject to this a testator has freedom of testation.

In order for a will to be valid it must be signed in the presence of a Notary Public; and

If a person dies intestate, all of his or her estate passes to any surviving spouse, except that any child or children (again, whether legitimate or illegitimate) of the deceased are entitled to one quarter of the estate between them (in equal shares).

- Advise Lucy as to who is entitled to the money deposited at the Guernsey Royal Bank. You can assume that this money comprises Vladimir's entire estate.
- ii. Would your answer be different, and if so how, if Vladimir and Lucy had not split up, and Vladimir had instituted proceedings with a view to obtaining a divorce so that he could marry Lucy and stay with her in Guernsey?

# Question 2 (25 marks)

Lady Tasmin Teazle (Lady T), comes to see you about her wills, which she made in 2004. She is a rich widow with one daughter, Maria, and a step-son, Moses. Moses is a bachelor, and Maria is married with three children, Snake, Careless and Trip from her marriage, and a fourth child, Ensemble, who was born to her by a former lover, Benjamin Backbite.

When Lady T made her wills in 2004, she left her assets to her then husband, Sir Peter Teazle, who has since died. Lady T has not remarried. Her wills provided for all her assets to devolve to Sir Peter, but in the event of him predeceasing her the property would devolve to their daughter, Maria. Moses was not provided for under her wills, as he stood to inherit on the death of Sir Peter.

Lady T had no assets in joint names with Sir Peter, but she has substantial assets in her own name. These comprise bank accounts; a holiday home in Ireland; her house, Sheridan House, in the north of the Island, which she owns, but is rented out; a long leasehold interest in an apartment in St Peters, where she lives; and various Guernsey properties, which are tenanted and owned by her company School Developments Limited, which is incorporated in Guernsey. Lady T is the sole director and sole beneficial owner of School Developments. Her estate is worth about £10,000,000.

Her wills appointed the partners of your firm as her executors. She remains happy with that provision in the wills.

Lady T wishes to achieve the following;

She wants Sheridan House sold and given to the GSPCA (a charity).

Lady T also keeps a herd of Royal Golden Guernsey Goats. She wishes the goats to be looked after when she dies, and wishes to leave a sum of money for their upkeep.

She wishes Snake, Careless and Trip, but not Ensemble, each to receive the sum of £30,000.

The remainder should pass to Moses and Maria. Moses should be treated the same as Maria, as Moses did not inherit as much as he thought he might on the death of Sir Peter. Lady T is nevertheless worried that Moses may squander any money she may leave to him, as Sir Peter was a compulsive gambler, and Lady T is worried 'it might run in the family". She therefore thinks that a degree of control needs to be exercised over any property she may leave to Moses.

Lady T has also heard about the Inheritance (Guernsey) Law, 2011 and does not want her will affected by anyone bringing an action for family provision.

i. Advise Lady T as to how she can best achieve the above

#### **Question 3 (25 marks)**

Brock wants to buy Corbet's house but there are a few issues, as follows:

- i. While perusing the Conveyance transferring the house to Corbet, you note that it includes the words "[...] to the Purchasers accepting for themselves and their respective heirs in undivided shares [...]"]. Which clause do these words form part of and what is the function of this clause? What questions would you ask on the basis of it? (5 marks)
- ii. Corbet's creditor has lost the original bond document. What effect does this have on the hypothec created by the bond? Can the hypothec be discharged, and, if so, how?(5 marks)
- iii. Brock will be selling one of her existing properties Le Nid to fund the purchase of Corbet's house. Brock bought Le Nid in 2005. Brock currently has one loan only, which is secured by a hypothec in favour of the Bank of Guernsey. That loan was taken out 24 years ago, when Brock bought Bellevue (a cottage and garden). What must be done to make sure that the hypothec does not continue to affect the property that Brock is selling, and why? (5 marks)
- iv. For Brock's purchase of Corbet's house, a contract is to be concluded per the Guernsey Bar Conditions of Sale, with the standard deposit to be paid. What is the standard deposit? If Brock decides not to buy the antique furniture which is also on offer as well as the property, will that make a difference to the absolute value of the deposit payable?

  (5 marks)
- v. On the day prior to completion of the Brock-Corbet transaction, you have been asked to carry out the "pre-completion searches". **What are you checking for?** (5 marks)

### Question 4 (25 marks)

Duquemin is creating a small development of one block of four flats (two per storey) and four houses.

The houses all have their own driveways which connect directly to the public road. There is a separate, private, road which will provide access to the block of flats.

- i. The road to the flats also provides access to the back garden of house number 4. The couple who have agreed to purchase number 4 will construct a garage in their back garden and want to be able to use the flats' road to access their garage. How would you ensure that they have a right to use the road to the flats, and what kind of stipulations would you include in order to balance the rights of all parties involved? (10 marks)
- ii. There is a mature tree in the garden of number 4, whose branches overhang the boundary between numbers 3 and 4 and protrude into the airspace of the garden of number 3. The tree is to remain in place. How can this be provided for when the numbers 3 and 4 are transferred to their respective purchasers in order that the tree is not an unlawful encroachment? (5 marks)
- iii. The owners of the top two flats will own the roof, but Duquemin would like to divide liability for roof repairs equally between the owners of all the flats (with a one-quarter share of the total liability attaching to each flat). Is this possible? What is the best way of doing this and what steps must be taken in order to achieve it? (5 marks)
- iv. The flats are all sold off. Five years later, one of the flats is sold again to Jehan. The purchase is funded by a loan from the Bank of Lancashire. Two years after the sale to Jehan the roof requires repair and Jehan is struggling to pay his quarter-share. Jehan has also fallen behind on his loan repayments to the Bank of Lancashire. The Bank are concerned about where their loan ranks as against the debt due to the other owners of the flats and have asked for your advice. Can you set out in what order these claims rank and why? (5 marks)