Property law questions. Suggested total word limit: 2000 Suggested word limit per question: 1000 Please state the word count at the top your answer sheet. Instructions: Answer TWO of the following SIX questions. Reference as per instructions Credit will be given for a useful range of relevant authority. Answer TWO of the following SIX questions. 1. Recipient liability is based on infirm foundations and the test for all accessory liability should be based on the level of dishonesty in the transactions. Critically evaluate the imposition of liability for breach of trust on those who receive or participate in a breach of trust duties. 2. Cher was a trustee of the Bishop Trust, who had assets of £60,000. To make running the trust easier she placed this money in her own bank account which had £20, 000 in it already. In 2019 she purchased a painting for £25,000 which has now been valued at £50,000. She then used £15,000 to pay off a loan which she had taken out to purchase a collection of valuable gold coins. In 2021 she was appointed as trustee of Digger Family Trust, with assets of £1 million. In breach of trust she took £100, 000 from that trust and placed that in her own bank account, making a balance of £140,000. Thinking it was a good idea, she took £100,000 from the account to invest in Ecurrency which she sourced on the internet. Sadly this turned out to be a scam and the money was lost. Cher has since been declared bankrupt and left the country. Advise the trusts on any remedies that they may have. 3. Eunice left £5 million on trust, with Lettie and Morag as trustees. It was to be held for Gloria for life then to Hector (now aged 21) and Juliet (now aged 15). Lettie and Morag decided to invest £250,000 of trust money in Futures Ltd and £250,000 of trust money in Grounds Ltd. The Futures Ltd investments have risen in value to £300,000, but the Grounds Ltd investments have fallen in value to £200,000. Morag’s friend Amit owns a UK business that needed money to continue operating. Morag convinced Lettie that it would be a good investment, so they invested £100,000 of trust money in Amit’s business. That investment has fallen in value to £80,000. Gloria has asked for some capital from the trust fund to purchase a house for her to live in. And Juliet has asked for £20,000 to pay for a two week course on abstract art in the modern world. She is a very good young artist but Lettie and Morag are unsure of spending so much on this course. Advise the parties on the following. (i) Have the trustees made suitable investments? (ii) Can they provide the sums requested by Gloria and Juliet? (iii) If the beneficiaries are unhappy can they remove the trustees? 4. A fiduciary who receives a profit from their position should always hold that profit on trust for the principal. Explain and evaluate the situations when this imposition is applied. 5. In 2018 five friends Dodi, Ethel, Flora, Gaudi and Husna, purchase Juniper House to run as a bed and breakfast. It is conveyed to them as ‘joint tenants in law and equity’. Flora is going to live at the property and take care of the day-to-day management. In June 2020 Ethel decides she wants to take a trip to see her family in New Zealand. So she sends a note to Flora asking her to explain this to the others and to send on her share of Juniper House. Flora leaves the note on the noticeboard of Juniper House but none of the others see it on their next visit. Having heard nothing, in September 2020, Ethel sends them all an email to ask when her share of Juniper house is going to be paid to her. Sadly she is killed the next day in a freak accident, her will leaves all her property to Gaudi. In November 2020 Dodi and Husna are at work together when Dodi asks Husna if she is interested in buying her interest in Juniper House. Dodi wants the money to start a new life. Husna expresses her interest but, after a lengthy discussion, they cannot settle on a mutually acceptable price. They decide to keep talking. In January 2022 Flora mortgages her interest to HNBO Bank, but sadly she has fallen into arrears and the bank seeks to order a sale of Juniper House. Identify the beneficial interests in Juniper House and if it must be sold. 6. Zaib recently purchased the registered freehold title of Bruce Grove from Mariam, and did his own conveyancing to save money. He had visited the property once but Mariam was in a hurry so he only looked around the grounds and quickly over the house. When Zaib arrived at Bruce Grove he finds Mariam’s nan; Lina, living in a small annex to the main building. Lina explains that she paid £100,000 to Mariam when Bruce Grove was purchased so she could live in the annex. Zaib also notices that Diwa is walking across the grounds to access the village. Diwa explains that when she had originally rented her house, which is next door to Bruce Grove, from Mariam and had used this route to get to the village while the lease lasted. At the end of the lease she had purchased the house from Mariam. Diwa also explained that Mariam had promised her that she could purchase Bruce Grove if Mariam ever decided to sell it. Diwa has a document to confirm this promise. Advise Zaib about which, if any, of the rights being claimed by Lina, or Diwa can be enforced against him. How would your answer differ if title to Bruce Grove was unregistered and all the dealings were governed by unregistered land law rules?