



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**PLOT 91, CADASTRAL ZONE, NNAMDI AZIKWE EXPRESS WAY,**  
**JABI, ABUJA**  
**FACULTY OF LAW**  
**2021\_1 EXAMINATION**

**COURSE CODE: PPL522**

**COURSE TITLE: LEGAL DRAFTING AND CONVEYANCING II**

**TIME ALLOWED: 3 HOURS**

**INSTRUCTION: ANSWER QUESTION 1 (ONE) AND ANY 3 (THREE) OTHER QUESTIONS. (QUESTION 1 (ONE) ATTRACTS 25 MARKS)**

**QUESTION 1**

Chief Osaze is the managing Director of Five Stars Engineering Company. To execute a mouthwatering contract recently awarded to the company, Chief Osaze approached the branch manager of Better life Bank Plc, Mr. Lucky for a loan of N300million. Mr. Lucky granted the loan contrary to the banker's regulations, as he received the Certificate of Occupancy accompanied with a memorandum of deposit of the personal property of Chief Onazi Osaze as security for the loan, made under seal dated 4/12/2020. The property is located at No.10, Lalong Crescent, Kaduna. It was agreed that Five Stars Engineering Company will repay the loan by monthly installment for twelve months. The loan was consistently repaid except for the last month. As a result of this default, Chief Osaze immediately sold the property to Mr. Henshaw Boyo. Better life Bank Plc purporting to exercise power of sale sold the same property to Honorable Raji Kadiri. Honorable Raji could not gain access to the property, hence approached the court for a declaration of a right of occupancy to the property. With the aid of relevant authorities, advise the parties on the following issues.

- a. Comment on the status of Honorable Raji Kadiri and Henshaw Boyo in relation to the property bought by them.
- b. Assuming you act for Better life Bank Plc. Mention the clauses you will insert in the mortgage deed to circumvent the challenge in (a) and why the clauses must be inserted?
- c. Write short notes on the following-
  - (i) Deposit of a title deed
  - (ii) Agreement to create a legal mortgage

**Question 2**

Mr. Shehu Ali Segun of No.10, Tafawa Balewa, Kano has just retired from the Federal Ministry of Agriculture, he is planning to establish an agro-allied business for export to Japan in February, 2021. While waiting patiently for his entitlement from the Federal Government, Mr. Shehu Ali approached his bank, BMW Bank Plc of Plot 56, Ring Road, Abuja for a loan of N40 Million, using his property at No.98, Dustbin Street, Abuja with title No. FCT/001/21. The parties concluded transaction and executed a deed of Mortgage on February 19, 2021.

- a. As solicitor to BMW Bank Plc (using XYY & Co) draft the search report, including the cover letter, to be submitted to your client.
- b. Mention the covenants to be inserted in the mortgage agreement.
- c. State the elements of the insurance clause in the mortgage agreement
- d. Draft the following clauses in the Mortgage agreement
  - i. Introductory clause
  - ii. Testimonium
  - iii. Execution and Attestation clauses

Question 3a

Ali Daudu, Mohammed Daudu and Bala Daudu inherited a large parcel of land from their late father Alhaji Danbata Daudu. The parcel of land is situated at 5, Balewa Road, Dutse, Jigawa. The three brothers have now been approached by representatives of three various telecommunication companies, as each of company want to use the parcel of land for the purpose of installing mast. In order to boost reception among consumers, Ali Daudu and his siblings are unwilling to dispose the land but they find the sum of 5million being offered by one of these companies, Zoom Mobile Limited as highly irresistible.

Answer the following

- a. What type of conveyance will you suggest to Ali and his siblings to prepare and why?
- b. Mention the usual covenants to be included in (a)
- c. Advice on the post completion matters to be dealt with in this conveyance
- d. As solicitor to Ali Daudu and his siblings, Assuming one of companies, Savanah Mobile Limited is purchasing part of the land, what precautionary steps will you need to take as solicitor, to protect the estate of Alhaji Daudu and the interest of Savannah Mobile Limited.

Question 4

Dr. Duke Johnson is a lecturer in one of the leading universities in the country. At 30 years of age, he hopes to retire before attaining 65 years and venture into livestock business. To achieve this purpose, he is negotiating with the representatives of Ajagungbale Family of Lagos State for the purchase of four (4) plots of land along Ketu-Ikorodu road. At his last medical checkup he was diagnosed with a cancer which requires immediate surgery in China. He wants to wait for the negotiation with Ajagungbale Family to be concluded before travelling to China for the surgery but the doctor advised that he does not have the time. He delegated his younger brother's company Waterside Estate firm to conclude the negotiations, pay for the plots of land and sign all necessary documents.

- a. Advice Dr. Duke Johnson on the document he needs to execute. Citing relevant authorities.
- b. Comment on the legality of appointing Waterside Estate Firm for this purpose.
- c. Mention 4 various clauses to be included in the document to be executed in (a) above.
- d. Advice on step to be taken on behalf of Dr. Duke Johnson to ensure he acquired good title from Ajagungbale Family.

### Question 5

Papa Diop of cinema house, Delta, bought a Duplex at No.9, London Drive, Delta State from Mr. Johnson Adams of the same address. The property is covered by Certificate of Occupancy No.3456 granted by the Governor of Delta State on 10<sup>th</sup> May, 2020. The consideration for the property was N30million Naira, which was paid to Johnson Adams. The transaction was concluded on 16<sup>th</sup> August, 2020.

- i. What document do you think the parties executed on the 16<sup>th</sup> August, 2020? Draft the commencement of the document to include the parties. Would a recital be necessary to the document? Draft a sample recital.
- ii. Draft the consideration and receipt clauses in the document in (i) above. Give reasons why both clauses are important in the document.

### Question 6

- a. State four ways a mortgagee can realize his security.
- b. Comment on the effect of failure to register a deed and various ways a mortgage can be discharged
- c. State the relevant documents to process legal mortgage of land