I. ESTATES AND FUTURE INTERESTS IN GENERAL

1. Why study estates and future interests? The question is a fair one. The traditional answer – it’s the law and so you should learn it – seems to me to be unsatisfactory.

2. Estates and future interests as a study in the analytical possibilities of law.

3. Estates and future interests as illustrative of a fundamental tension in property law.

4. How to learn estates and future interests?
   a. Learn the definitions.
   b. Work the problems. (At the end of the unit, I’ll pass out a sheet with the answers to the problems, and a sheet with another set of problems. We will not do Problems 6 and 7 in class, but they are good exercises. I don’t recommend that you do Problems 11 and 14. They tell you more about common-law future interests than you need to know.)

5. What kinds of problems will be on the short-answer questions on the exam about estates and future interests? The common-law system as generally modified today.
   a. presumption that a grant is a grant in fee
   b. no fees tail
   c. no destructability of contingent remainders
   d. no Rule in Shelley’s Case
   e. no Doctrine of Worthier Title
   f. no common-law dower or curtesy
   g. preference for joint tenancy has been abolished

I will not ask you what the result of a problem would be before the passage of the statute of Uses in 1536, nor will I ask you what the result of the problem would be before the reforms of the 19th and 20th centuries. I remain of the view that it is easier to understand what we have today if you have some command of the unrefromed common-law system, and when I, or the book, refers to the common-law system what we mean is the system as it existed c.1800, on the eve of reform.

II. PRESENT ESTATES

1. The fee simple: Fully describe the interest of all parties named or described in the following instruments in a common-law jurisdiction as of the effective date of the instrument (recall that a devise is not effective until the devisor’s death). Assume that the Statute Quia Emptores is in effect, and that there is a statute of wills and a statute stating that all grants are assumed to be in fee simple unless the contrary is expressed:
   a. G —> A (p. S202 Problem no. 1)
   b. G —> A and his heirs (p. S202 Problem no. 2)
   c. G —> le (i.e., a life estate) A (p. S202 Problem no. 3)
   d. D —> A p. S202 Problem no. 4)
   e. D —>le A (p. S202 Problem no. 5)
f. Would your answer to these questions be any different if the jurisdiction in question did not have the statute making the presumption about grants?

g. Why are there still a number of jurisdictions where the necessity of using words of inheritance is a matter of doubt?

2. The fee tail (we’ll skip this this year in class, but the problems are good exercises)
   a. Problems nos. 6–7, p. S204:
      6. D —> ft (i.e. fee tail) A
      7. D —> ft A —> rdr B
         a. A has no issue; A dies
         b. A has issue; A dies
         c. A has issue; A —> C
         d. A has no issue; A —> C
   b. South Carolina (fsc, i.e., a fee simple conditional)
   d. 6 states (le + rdr, i.e., a life estate plus a remainder)
   e. 25 states (fs, i.e., a fee simple with or without rdr effective)

3. The fee simple determinable / fee simple on a condition subsequent (fsd/fscs)
   a. G —> A so long as liquor is not sold, stored or used on the premises [no booze], and upon its determination the estate shall revert to G; G(D) —> B (p. S205 Problem no. 8)
   b. G —> A but if booze G shall have a right to re-enter and determine the estate; G(D) —> B (p. S205 Problem no. 9)
   c. G —> A provided that estate shall cease and determine if booze; G(D) —> B (p. 393 Problem no. 7 = S205 Problem no. 10)

4. Storke
   a. What did the court hold?
   b. What consequences if fsd?
   c. What consequences if fscs with a right of entry (r/e)?
   d. What consequences if a covenant?
   e. Why hold fscs?
   f. Historical background of Storke (we’ll deal with this after we get more deeply into the reasons offered for the holding)
5. “And the party of the second part [the grantee in said deed], his heirs and assigns hereby
  covenant and agree that no saloon shall be kept and no intoxicating liquors be sold or
  permitted to be sold on said premises herein conveyed or in any building erected upon
  said premises; and that in case of breach in these covenants or any of them said premises
  shall immediately revert to the grantors, and the said party of the second part shall forfeit
  all right, title and interest in and to said premises.” (S206)

6. “Appellants say they do not deem it necessary to classify their supposed reversionary
  interests as either based upon a conditional limitation or as a condition subsequent, but
  assert that they rely upon the decision of Pure Oil Co. v. Miller-McFarland Drilling Co.,
  Inc., 376 Ill. 486. Since the reversionary right in that case was held to arise from a deed
  containing a conditional limitation, we must infer that such is the basis of appellants’
  case. Appellee insurance company, however, contends the provisions in the deed upon
  which appellants seek to recover constitute conditions subsequent. Such different results
  follow from these different contentions that resolving the character of the restrictions
  contained in the deed will be determinative of the case.” This is a pretty good indication
  that the court is forcing the interpretation. But the appellants should never have argued
  this granted the statute of limitations.

7. Let me just reinforce what we just said.
   a. By any fair reading, this is a fsd, but the court intreprets it as a fscs.
   b. It does so because the courts have more control over fscs than it does over fsd’s.
      i. In this case, the failure specifically to retain a right of entry bars any
         attempt to exercise it.
      ii. Even if one had been retained, the court seems willing to hold that the
         waiver of similar rights in the past will give rise to a waiver of this one.
      iii. The fact that the plaintiffs knew of the violation and did nothing about it
         will bar an attempt to exercise the right now. The doctrine here is not so
         called but is, in fact, the doctrine of laches.
   c. In this case, it made no difference bc the s/Lims had run if it were an fsd.
   d. That raises the question why bother, and the answer to that probably is the
      Women’s Christian Temperance Union (WCTU).
   e. These interests, however, are a problem beyond the WCTU. It’s a problem that
      we’ll come back to, but the basic problem can be simply stated: Neither the r/e
      nor the (possibility of revervtar (p/rvtr) by the weight of American authority is
      subject to the Rule Against Perpetuities. Both the fsd and the fscs were in the past
      and are to some extent today popular land use control devices. It is in the nature
      of land use that it changes in ways that are hard to predict. Hence, the restrictions
      run considerable risk of getting out of date.
   f. Note on p. S208, the court says (this must be dictum) that as a covenant this one is
      unenforceable because of changed conditions. (“If the provisions in the deed were
      construed as a restrictive covenant, they could not be enforced by the plaintiffs
      because the stipulation of facts and findings of the court show that the change in
      the circumstances and use of the property in the subdivision has been brought
about by the acts of the grantors or their assigns.”) That is a doctrine to which we will return when we deal with covenants.

8. If time, which there probably won’t be, a few words about the fee tail.