Practice Exam #1

1. As used in real estate practices, the land of a riparian owner borders on: (A) a river; (B) a stream; (C) a watercourse; (D) any of the above.

2. When the government has granted permission to a nonriparian owner of a ranch to use a near-by lake, the owner has received this right by: (A) eminent domain; (B) prescription; (C) appropriation; (D) percolation.

3. Title to personal property is transferred with a bill of sale. A valid bill of sale must: (A) be dated; (B) contain an acknowledgment; (C) have the seller’s signature; (D) be verified and recorded.

4. All property is either real property or personal property. Which of the following would normally be considered real property? (A) natural growing vegetation; (B) trade fixtures; (C) lumber in a lumber yard; (D) crops which have been sold prior to harvest.

5. Buyer Baker bought a farm. At the time of the purchase, the seller Sampson was growing corn on the north 40 acres of the farm. Sampson intended to harvest the corn before the close of escrow, but never got around to it. No mention was made of the corn in the sales agreement and/or escrow instructions. Escrow has now closed, Buyer Baker is in possession and it is time to harvest the corn. Who gets to harvest the corn? (A) the buyer would have the right to harvest the corn because he always intended to do so; (B) the buyer would get to harvest the corn because it goes with the land and is considered real property; (C) the buyer would get to harvest the corn because of his equity in the corn; (D) the seller would get to harvest the corn because the corn is his personal property and was not mentioned in the sales agreement.

6. Which of the following is an example of a freehold estate? (A) the interested created by a trust deed; (B) an estate at will; (C) a life estate; (D) a leasehold estate.

7. When a judgment has been recorded, it provides: (A) voidable notice; (B) constructive notice; (C) actual notice; (D) contingent notice.

8. Gross leases are most often used with: (A) residential property; (B) retail space; (C) office space; (D) shopping malls.

9. When a tenant voluntarily moves out of his apartment with the intention to never return, it would be described as: (A) abandonment; (B) notice to quit; (C) eviction; (D) adverse possession.

10. Broker Jones represented a young man in the sale of his home. Broker Jones did not considered the age of the young man when he listed and sold the home. After the grant deed had been signed and delivered into escrow, the title company discovered the young man who signed the deed was not yet 18 years old and was not emancipated. The grant deed would be: (A) illegal; (B) void; (C) binding; (D) valid.

11. Who signs the promissory note and mortgage? (A) mortgagor; (B) mortgagee; (C) lender; (D) beneficiary.

12. A contractor obtains a construction loan, and the loan funds are to be released in a series of progress payments. Most lenders disburse the last payment when the: (A) building is completed; (B) notice of completion is filed; (C) buyer approves the construction; (D) period to file a mechanic’s lien has expired.

13. Each of the following elements must be established to obtain an easement by prescription, except: (A) use of the property which is hostile and adverse to the true owner; (B) existence of a claim of right or color of title; (C) open and notorious use which is continuous and uninterrupted for a period of five years; (D) a confrontation with the true owner.
14. Private restrictions on the use of land may be created by: (A) private land use controls; (B) written agreement; (C) a developer’s general plan restrictions a subdivision; (D) all of the above.

15. Government land use, planning and zoning laws are important examples of: (A) exercise of eminent domain; (B) use of police power; (C) deed restrictions; (D) escheatment.

16. Generally, when the government forces the sale of private land for public use it is governed by due process of law and is accomplished through: (A) exercise of the police power; (B) eminent domain; (C) estate in reversion; (D) escheat.

17. John and Martha, husband and wife, own a home as community property. If only one spouse signed the listing to sell the property, the agreement is: (A) a legal contract; (B) an unenforceable contract; (C) an unbinding contract; (D) a violation of the Statute of Frauds.

18. Usually, the holder of a life estate based on the holder’s own life may do any of the following, except: (A) lease the property to someone; (B) borrow against the property; (C) devise the property to his relative; (D) sell the property to someone.

19. Which of the following laws exert the greatest control over the California housing and construction industries? (A) Uniform Building Code, National Electrical Code, Uniform Plumbing Code; (B) State Housing Law, Local building codes and Contractors License Law; (C) Subdivision Map Act, local building codes, city’s master plan; (D) eminent domain, zoning ordinances, State Housing Law.

20. All of the following CC&R’s contained in a deed are unenforceable, except: (A) property may not be conveyed for more than $1; (B) property may not be sold for 10 years; (C) property can only be used for religious or charitable purposes; (D) property cannot be sold to minority buyers.

21. Puffing is when an agent: (A) convinces the seller to pay a greater commission than is typical for the area; (B) convinces an appraiser to report a greater appraised value to the lender; (C) convinces the seller during his listing presentation that he is well connected in the neighborhood; (D) exaggerates the features or condition of the property.

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Answers to practice Exam #1

1. D A riparian owner owns land bordering on moving water, such as a river, stream and/or watercourse.

2. C Appropriation describes when the government gives permission to a nonriparian owner to take water from another landowner or a public waterway.

3. C A bill of sale must have the signature of the seller.

4. A Vegetation is real property.

5. D The seller would get to harvest the corn because the corn is his personal property and was not mentioned in the sales agreement.

6. C A life estate is a freehold estate which is limited to someone’s life.

7. B Recording a judgment gives constructive notice.
8. A Residential property is normally leased on a gross lease, with the tenant paying a fixed amount each month.

9. A When a tenant voluntarily moves out of his apartment with the intention to never return, it would be described as abandonment.

10. B A deed signed by a minor who is not emancipated is void.

11. A The mortgagor (borrower) signs the promissory note and mortgage.

12. D Most lenders wait until the period to file a mechanic's lien has expired before disbursing the final loan proceeds to the builder.

13. D No confrontation with the true owner is necessary to obtain an easement by prescription.

14. D Private restrictions are created by private land use controls, written agreements and by a developer's general plan.

15. B Government land use, planning and zoning laws are all examples of police power.

16. B Eminent domain is the right of government to take private property for public use, with payment of fair compensation.

17. A A listing to sell community real property, signed by one spouse only, is a legal contract. It is enforceable in a court of law.

18. C The holder of a life estate based on the holder's own life may not devise (leave by will) the property to anyone.

19. B State Housing Law, local building codes and the Contractor's License Law exert the greatest control over the housing and construction industries in California.

20. C The CC&R's in a deed may limit use of the property for religious or charitable purposes. The other limitations are prohibited by law.

21. D Puffing is when an agent exaggerates the features or condition of the property.

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