

Multiple Choice

Identify the letter of the choice that best completes the statement or answers the question.

- ___ 1. A condominium rules declaration may be changed by
 - a. whatever is stated in the rules declaration.
 - b. at least 50% of the owner-occupied units.
 - c. the condominium owner's association.
 - d. approval of the majority of the condominium unit owners.
- ___ 2. Regarding ownership of condominiums,
 - a. owners hold fee simple title to airspace within their units.
 - b. owners register with the Federal Securities and Exchange Commission.
 - c. purchasers own the airspace above their units.
 - d. there is the right of survivorship.
- ___ 3. The owners' association of a condominium meets yearly and makes such changes in the operation of the common elements as is deemed best for all owners. It can change or amend all of the following EXCEPT
 - a. deeds to owners' units.
 - b. fire insurance carrier.
 - c. bylaws.
 - d. restriction against rental of units.
- ___ 4. Ownership of the common elements by an owners' association is typical of which kind of development?
 - a. Condominium
 - b. Planned unit development
 - c. Cooperatives
 - d. REIT's
- ___ 5. In a planned unit development, a developer would be likely to dedicate to the public all of the following EXCEPT:
 - a. streets.
 - b. roads.
 - c. parks.
 - d. common elements.
- ___ 6. The purchaser of a timeshare week who wants to receive a deed to that specific week would buy a
 - a. leasehold timeshare.
 - b. right-to-use timeshare.
 - c. fee simple timeshare.
 - d. model timeshare.
- ___ 7. State laws that provide the legal framework for condominium ownership may be identified by any of the following terms EXCEPT
 - a. strata titles act.
 - b. cooperative housing act.
 - c. condominium act.
 - d. horizontal property act.
- ___ 8. Condominiums developments are restricted to
 - a. residential dwelling units.
 - b. multiple-unit buildings.
 - c. both a and b.
 - d. neither a nor b.

- ___ 9. Individual units in a condominium development are classed as
- separate property.
 - common elements.
 - cooperative elements.
 - limited common elements.
- ___ 10. In order to create a condominium development, a developer may
- construct a new building.
 - convert an existing building.
 - both a and b.
 - neither a nor b.
- ___ 11. Within a condominium development, common elements are owned by
- the owner's association.
 - all unit owners, who hold undivided interests in the elements.
 - the condominium developer.
 - individual unit owners as community property.
- ___ 12. Which of the following would be classified as limited common elements in a condominium development?
- Elevators
 - Hallways
 - Assigned parking spaces
 - The manager's apartment
- ___ 13. The concept of insurance is to
- reimburse the insured for financial losses.
 - insure that a loss-causing event will not occur.
 - both a and b.
 - neither a nor b.
- ___ 14. As an owner of real estate, one is exposed to losses by
- damage to the property.
 - other persons being injured on the property.
 - both a and b.
 - neither a nor b.
- ___ 15. A licensed agent must be diligent to determine the existing zoning and building regulations for the property that he wishes to sell. Which of the following would cause the fewest problems to the agent and his buyer?
- A home, which lies two feet outside the offset line, described on the deed.
 - A conforming business that produces such noise and odors as to be an annoyance to a nearby neighborhood.
 - A garage that was built by the seller without a building permit and slightly on his neighbor's lot.
 - A multi-family apartment building that is a non-conforming use.
- ___ 16. Local residents may best gain control over the future development of their community by paying attention to
- land use covenants.
 - eminent domain purchases by private individuals.
 - restricting the trade of developers and real estate agents.
 - public zoning decisions.

- ___ 17. Which of the following is usually a private decision and unaffected by zoning regulations?
- Setback requirements
 - Nonconforming uses
 - Variances
 - House color
- ___ 18. The word variance in land use applies to
- an open-ended use permit.
 - loan rates which raise and lower during the term of the loan.
 - property taxes.
 - zoning.
- ___ 19. A change in zoning for a parcel of land from single-family dwellings to apartment use requires a
- zoning ordinance amendment.
 - variance.
 - zoning release.
 - release of deed restrictions.
- ___ 20. An existing structure that would be prohibited under current zoning laws is called
- a restrictive zone use.
 - a nonconforming use.
 - an impact statement property.
 - a land use restriction.
- ___ 21. The difference between a variance and a nonconforming use is that
- a variance changes the permitted use; nonconforming use does not.
 - nonconforming use changes zoning; a variance does not.
 - the nonconforming use first occurs after the zoning changes.
 - the variance was in effect before the zoning.
- ___ 22. A strip of land that separates one land use from another is called a
- buffer zone.
 - median strip.
 - non-use zone.
 - restricted zone.
- ___ 23. A parcel of land 330' x 1320' was subdivided into 8 lots. How many acres were contained in each lot?
- .125
 - 1.25
 - 5.45
 - 8
- ___ 24. An urban homeowner wishing to add a second story onto his existing home would most likely have to
- get the approval of the first mortgagee.
 - get the approval of the first and second mortgagee.
 - seek a building permit.
 - carry enough insurance to cover the new value.
- ___ 25. On the settlement statement, the cost of the lender's title insurance policy that would be required for a new mortgage loan would usually be
- a credit to the seller.
 - a credit to the buyer.
 - a debit to the seller.
 - a debit to the buyer.

- ___ 26. Victoria, no longer needing her large home, decides to sell it and move into a cooperative apartment building. Under the cooperative form of ownership, Victoria will
- become a stockholder in the corporation.
 - not lose her apartment if she pays her share of the expenses.
 - receive a fixed-term lease for her unit.
 - have to take out a new mortgage loan on her unit.
- ___ 27. Assuming that the listing broker and the selling broker in a transaction split their commission equally, what was the sales price of the property if the commission rate was 6 ½ percent and the listing broker received \$2,593.50?
- \$39,900
 - \$56,200
 - \$79,800
 - \$88,400
- ___ 28. A property manager leased a store for three years. The first year, the store's rent was \$1,000 per month, and the rent was to increase by \$100 per month per year thereafter. The broker received a 7 percent commission for the first year, a 5 percent commission for the second year, and 3 percent for the balance of the lease. The total commission earned by the property manager was:
- \$840
 - \$1,613
 - \$1,932
 - \$2,785

True/False

Indicate whether the sentence or statement is true or false

- ___ 29. Ownership of the interior space of your home and garage and an undivided interest in the building structures, common areas, and land area of the entire project describes a cooperative.
- ___ 30. Of the two principal forms of timeshare formats, the largest percent of the market is comprised of the right-to-use format.
- ___ 31. All states have passed condominium laws that are variously known as a state's horizontal property act, strata titles act, or condominium act.
- ___ 32. Typically, an owner of real estate is not exposed to losses by other persons being injured on his property.
- ___ 33. A homeowner policy is a policy that combines property and liability policies designed for residential owner-occupants.
- ___ 34. A homeowner policy would typically cover the house and garage but not other structures on the property such as a guesthouse or garden shed.
- ___ 35. Zoning laws compensate an owner for loss of property value due to zoning.
- ___ 36. A zoning variance allows an owner to deviate from the existing zoning law.
- ___ 37. A zoning variance involves a change in the zoning law.
- ___ 38. An environmental impact statement should reveal the effect of a planned development on property values.