

Modern Real Estate Practice in Illinois, 6th Edition
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Chapter 8 Review Quiz

1. Sam and Nettie bought a store building and took title as joint tenants. Nettie died testate. Sam now owns the store
 - a. as a joint tenant with rights of survivorship.
 - b. in severalty.
 - c. as a tenant in common with nettie's heirs.
 - d. in trust.

2. The owner of a fee simple estate who conveys the real estate but reserves a life estate in the entire property for himself has a
 - a. homestead.
 - b. dower interest.
 - c. life estate created by a party.
 - d. reversionary interest.

3. Cain has the legal right to occupy and use a certain residential structure. All of the following could describe Cain's interest in the property *EXCEPT*
 - a. fee simple.
 - b. remainder.
 - c. leasehold.
 - d. life estate.

4. Which of the following would be considered community property?
 - a. A gift of property to the wife during a marriage
 - b. A motor home bought during the marriage
 - c. Property inherited by the husband during a marriage
 - d. Rental property owned by either husband or wife prior to a marriage

5. A trust is a legal arrangement in which the title to property is held for the benefit of a third party by a(n)
 - a. beneficiary.
 - b. trustor.
 - c. trustee.
 - d. attorney in fact.

6. Emmett lives in an apartment building. The land and structures are owned by a corporation, with one mortgage loan covering the entire property. Like the other residents, Emmett owns stock in the corporation and has a lease to his apartment. This type of ownership is called a
 - a. condominium.
 - b. planned unit development.
 - c. time-share.
 - d. cooperative.

7. Val and John are co-owners of a fee simple interest in a small office building. John dies intestate and leaves no estate to be distributed to his heirs. Val is neither related to John nor a creditor of John. Which of the following would explain why Val acquired the interest of John?
 - a. Adverse possession
 - b. Reversionary rights
 - c. Joint tenancy
 - d. Foreclosure

8. An ownership interest that is based on annual occupancy intervals is the
 - a. leasehold
 - b. time-share.
 - c. condominium.
 - d. cooperative.

9. Jake, Manny, and Henry are joint tenants owning a parcel of land. Henry conveys his interest to his long-time friend William. After the conveyance, Jake and Manny
- become tenants in common.
 - continue to be joint tenants with Henry
 - become joint tenants with William.
 - remain joint tenants owning a two-thirds interest.
10. Ken and Wanda owned a combination apartment building with a small bar and grill on the premises. They shared their profits and losses on their venture equally, but they did not own the business under any written partnership agreement. One day, Wanda died of a heart attack. If, after Wanda's death, Ken continued to own the same undivided interest in the real estate as he did before Wanda's death and no more, then
- they were joint tenants.
 - they were tenants in common.
 - they were stockholders in their own corporation.
 - Wanda died intestate.
11. Equal rights of possession are characteristic in all of the following *EXCEPT*
- tenancy in common.
 - tenancy at will.
 - tenancy by the entirety.
 - joint tenancy.
12. In a gift of a parcel of real estate, one of the two owners was given an undivided 60 percent interest and the other received an undivided 40 percent interest. The two owners hold their interests as
- cooperative owners.
 - joint tenants.
 - community property owners.
 - tenants in common.

13. In a community property state, separate property is owned
- solely by either spouse before the marriage or acquired by gift or inheritance by either spouse during the marriage.
 - by one spouse before the marriage and jointly with the other spouse during the marriage.
 - one-half by each living spouse during the marriage and then passes entirely to the survivor.
 - jointly by one spouse and his or her deceased spouse's descendants.
14. Under the community property laws of the state in which they live, Mr. and Mrs. Dodd may do all of the following *EXCEPT*
- each also own separate property.
 - not convey community property without the other's consent.
 - each also own community property with others.
 - not encumber community property without the other's consent.
15. To create a joint tenancy relationship in the ownership of real estate, there must be unities of
- grantees, ownership, claim of right, and possession.
 - title, interest, encumbrance, and survivorship.
 - possession, time, interest, and title.
 - ownership, possession, heirs, and title.
16. A person owns one unit in a multi-unit structure together with a specified undivided interest in the common elements. Their ownership interests is *BEST* describes as
- cooperative.
 - share in a real estate investment trust.
 - condominium.
 - time-share interest.
17. Which of the following is *NOT* considered a form of ownership?
- trust
 - tenancy for years
 - joint tenancy
 - tenancies by the entirety

18. A joint tenancy with right of survivorship may be created
- automatically if the property is distributed to the surviving children.
 - by presumption if another form of ownership is not described.
 - by deed.
 - when a deed is signed by both spouses.
19. The owner of a condominium unit learns that a neighbor has failed to pay his real estate taxes. If this neighbor does not pay the taxes
- a lien can be filed against the condominium, including all of the units.
 - a lien can be filed against the neighbor's unit and his percentage of the common elements.
 - a lien can be filed only against the common areas of the condominium.
 - the taxing authority can order the condominium to be dissolved.
20. A property held as tenancy by the entirety requires which of the following?
- the cotenants must be husband and wife.
 - the property in question must be torrens property.
 - upon the death of a cotenant, the decedent's interest passes to his or her heirs.
 - in the event of a dispute the property must be partitioned.
21. What do the terms general partnership, limited partnership and corporation have in common?
- They all represent possible forms of ownership of real estate by business organizations.
 - They all represent possible leases that a business could negotiate.
 - They all represent fee simple absolute ownership of real estate.
 - They all represent fee simple conditional ownership of real estate.
22. In a limited partnership
- it the number of investors is limited to 10.
 - all the partners participate in running the business.
 - the general partners run the business.
 - investors may participate with only a small amount of capital but with unlimited liability.

23. All of the following are true statements about a condominium *EXCEPT*
- a. a declaration must be filed before any units may be sold.
 - b. each unit owner has a fractional undivided interest in the common elements.
 - c. each owner receives a separate real estate tax statement.
 - d. each owner has a proprietary lease with the association for his or her own unit.
24. Because Jayce no longer needs a large house, she decides to sell her house and move into a cooperative apartment building. In a cooperative Jayce will
- a. become a stockholder in a corporation.
 - b. own her individual apartment.
 - c. own the common elements.
 - d. receive a 20-year lease.
25. The severalty owner of a parcel of land sells it to a buyer. The buyer insists that the owner's wife join in signing the deed. The purpose of obtaining the wife's signature is to
- a. terminate any rights the wife may have in the property.
 - b. defeat any curtesy rights.
 - c. provide evidence that the owner is married.
 - d. subordinate the wife's interests to the buyer.
26. Under the condominium form of ownership, the owner's interest in the unit would normally be
- a. a life estate.
 - b. a fee simple estate.
 - c. a reversionary estate.
 - d. a proprietary leasehold.
27. Amanda and Barb are joint tenants. Barb sells her interest to Chuck. What is the relationship of Amanda and Chuck?
- a. They are joint tenants.
 - b. They are tenants in common.
 - c. There is no relationship because Barb cannot sell to Chuck.
 - d. Amanda owns a 2/3 interest and Chuck owns a 1/3 interest.

28. Tenancy with survivorship means
- the tenancy interest may be inherited.
 - the tenancy interest may be held by the remaining tenants upon death.
 - the tenant's heirs are survivors.
 - this is not a legal tenancy.
29. Acquisition of real estate by a group that includes one or more sponsors (promoters) and several investors is called a
- subdivision.
 - time share.
 - syndication.
 - group investment.
30. A person purchases a fee simple estate and has an undivided interest in common elements. What does this person own?
- a tenancy in common
 - a cooperative
 - a condominium
 - a tenancy by the entirety
31. Which of the following is *TRUE* about condominium ownership?
- It cannot be mortgaged.
 - The corporation pays the real estate taxes.
 - The ownership cannot be willed.
 - The limited common elements cannot be sold separately.
32. The owner of a condominium did not pay the monthly maintenance fee. Which of the following will *MOST LIKELY* occur?
- The owner will be evicted.
 - The debt will be collected from the other owners.
 - The Homeowners Association will place a lien against the unit.
 - The debt will be added to the mortgage payment.

33. How does a cooperative obtain the funds necessary to cover on-going operating expenses and mortgage payments?
- a. Charge rent
 - b. Sell common elements
 - c. Assess shareholders
 - d. Charge special assessments

IN ILLINOIS . . .

34. Illinois law makes which of the following presumptions about how multiple grantees hold title to a property?
- a. They hold title as joint tenants.
 - b. They hold title as tenants in common.
 - c. There is a right of survivorship between the owners.
 - d. The property is held in the entirety.
35. Ling and Mai are a married couple living in Illinois. Which of the following best describes the presumption made in dissolution cases regarding the property acquired by Ling and Mai during their marriage?
- a. Community property
 - b. Separate property
 - c. Marital property
 - d. Severalty property
36. The Majestic Tower Apartment building in Chicago was converted to a condominium in 1994. In 2009, several unit owners want to have it removed from condominium status. What do they have to do to accomplish this?
- a. Obtain the unanimous written consent of all unit owners and lien holders.
 - b. Obtain the written consent of at least 80 percent of all unit owners.
 - c. Obtain the approval of the appropriate state regulatory commission after a public hearing on the question.
 - d. Nothing; in Illinois, condominium status automatically expires after 15 years.

37. In Illinois, an arrangement in which a purchaser receives fee ownership of property and the right to use it for a specified period of less than one year on a recurring basis of more than three years is the statutory definition of a
- a. cooperative.
 - b. time-share use.
 - c. time-share estate.
 - d. membership camping arrangement.
38. In Illinois, any arrangement in which a purchaser receives the right to use an accommodation for a specified period of less than one year on a recurring basis of more than three years, but does not receive a fee simple interest in any real property, is the statutory definition of a
- a. leasehold estate.
 - b. time-share use.
 - c. time-share estate.
 - d. membership camping arrangement.