

1. Which of the following is INCORRECT about leasehold improvements?
 - A. Leasehold improvements are made by the tenant.
 - B. Leasehold improvements belong to the landlord at the end of the lease, unless agreed otherwise by the parties.
 - C. Leasehold improvements are made by the landlord, because of one's implied duty to keep the premises habitable.
 - D. Leasehold improvements must be specifically authorized in the lease or otherwise agreed to by the parties.

2. Which of the following may be used to guard the landlord against the hazards of inflation?
 - A. Index lease
 - B. Escalator lease
 - C. Reappraisal lease
 - D. All of the other answers are correct.

3. A leasing arrangement used by a business property owner to generate capital is called:
 - A. a sandwich lease.
 - B. a ground lease.
 - C. a sale-leaseback.
 - D. an occupancy agreement.

4. A lease may be terminated by all of the following EXCEPT:
 - A. condemnation.
 - B. assignment.
 - C. eviction.
 - D. merger.

5. If a seller allows a prospective purchaser to take possession before closing the sale, problems of regaining possession can be minimized if the sale does not close by having the parties sign:
 - A. an occupancy agreement.
 - B. a ground lease.
 - C. a sale-leaseback.
 - D. a reappraisal lease.

Ch 10 Suex Test

6. A one-year lease for a single family home requires:
- A. only a street address and apartment number for a legal description.
 - B. a physical description of the unit.
 - C. pictures of the property attached to the lease.
 - D. a complete legal description of the premises.
7. An implied covenant in a lease, which guarantees the tenant that possession will not be disturbed because a defective title allows someone else to claim an interest in the property superior to that of the landlord, is called:
- A. a protective covenant.
 - B. an implied warranty of habitability.
 - C. a covenant of quiet enjoyment.
 - D. restrictive covenant.
8. Customarily a lease specifies rent is due in advance of using the premises. If the lease is silent as to when the rent must be paid, then:
- A. it is due at the end of the rental term.
 - B. the landlord can decide.
 - C. it is automatically due monthly.
 - D. the lease is void, because it lacks consideration.
9. A first right of refusal clause in a lease gives the tenant:
- A. an option to buy the property in the future.
 - B. an option to renew the lease.
 - C. the first opportunity to buy the property if it is offered for sale at a price offered by a bona fide purchaser.
 - D. the right to buy the property at a price refused by a bona fide purchaser.
10. With which of the following are rental payments guaranteed to increase during the term of the lease?
- A. Escalator lease
 - B. Step-up lease
 - C. Index lease
 - D. None of the other answers are correct.
11. A lease contract is similar to a deed in all of the following respects EXCEPT:
- A. it conveys possession of the property.
 - B. it is of indefinite duration.
 - C. it requires a full legal description.
 - D. it conveys the right of quiet enjoyment.

Ch 10 Suex Test

12. Although desirable, it is not necessary that a lease be in writing if it is to be:
- A. for commercial property.
 - B. for a period of one year or less.
 - C. for a religious order leasing church space.
 - D. a ground lease.
13. A Salesperson with XYZ Realty has arranged a lease that has now expired. The tenant is demanding a return of the security deposit and the landlord is refusing to return it. The salesperson should:
- A. explain to the tenant that the landlord is probably within his/her rights.
 - B. explain to the landlord that the tenant is entitled to the money.
 - C. make an inspection to determine which party is correct.
 - D. refer the matter to the broker.
14. The typical form lease contract is probably inappropriate for arranging:
- A. a residential tenancy for years.
 - B. a month-to-month lease on an apartment.
 - C. a condominium lease.
 - D. a commercial lease.
15. Which of the following statements regarding a lease with option to purchase is true?
- A. The option does not obligate the tenant to buy the property.
 - B. Exercising the option does not obligate the landlord to sell.
 - C. The sale price will be negotiated when the option is exercised.
 - D. If the option is exercised, the rent paid will apply to the purchase.
16. Which of the following statements about the security deposit is true?
- A. A security deposit is essential to a lease.
 - B. Interest earned on a security deposit always accrues to the benefit of the tenant.
 - C. A licensed salesperson should turn the security deposit over to the broker for deposit in the trust account.
 - D. The security deposit is always returned to the tenant, in full, at the end of the lease.
17. After leasing an apartment to a university student, a landlord is dismayed to discover that the student is only seventeen years old. Can he consider the contract void and eject the tenant?
- A. Yes, because a contract signed by a minor is voidable.
 - B. Yes, because the landlord is entitled to have a tenant who is legally responsible for paying rent.
 - C. No, because the landlord never asked about the tenant's age.
 - D. No, the contract is voidable only by the tenant.

Ch 10 Suex Test

18. A purchaser is going to occupy a home prior to closing. The move-in agreement should contain all of the following EXCEPT:
- A. alternatives to be provided if the sale fails to close.
 - B. the provision that a temporary landlord/tenant relationship is established.
 - C. a provision that the seller's consent must be obtained for any alterations.
 - D. the amount of compensation seller is to receive.
19. A tenant, who has a one year apartment lease starting on January 1, must:
- A. give sixty days notice when he/she plans to vacate.
 - B. vacate the premises by December 31.
 - C. vacate the premises within thirty days after expiration of lease.
 - D. give ten days notice before vacating.
20. To ensure against a tenant proving to be unsatisfactory, it is a good idea to:
- A. check with former landlords.
 - B. ask for a credit report.
 - C. require a deposit in advance.
 - D. All of the other answers are correct.

You have completed the test!