## Chapter 1: Property ownership and land controls and regulations

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Exam Jargon

Specialized real estate terminology related to property ownership and land use controls and regulations. See the Real estate glossary on page 309 for the full definitions.

- accretion
- accession
- adobe
- alienation
- alkaline
- alluvium
- appropriation
- assemblage
- avulsion
- deciduous
- expansive
- littoral rights
- reliction

SAMPLE QUESTIONS

1. The first component of real estate is land, which includes:
   a. soil.
   b. rocks.
   c. reasonable airspace above the earth.
   d. All the above.

2. The northeast 1/4 of a section contains:
   a. 160 acres.
   b. 320 acres.
   c. 10 acres.
   d. 40 acres.

3. How many square feet are in three acres of land?
   a. 130,680
   b. 217,800
   c. 143,560
   d. 43,560

4. An individual may obtain title by all the following means except:
   a. grant.
   b. escheat.
   c. adverse use.
   d. descent.
5. There are __________ baseline and meridian systems in California.
   a. 36
   b. 12
   c. 3
   d. infinite

6. Which of the following would be the least desirable reference point for a metes and bounds description?
   a. The corner of a section.
   b. A township line.
   c. The corner of a quarter section.
   d. A riverbank.

7. A lot contains 73,000 square yards. How many acres does this equal?
   a. 29
   b. 14.7
   c. 10
   d. 15.1

8. Which of the following statements regarding zoning is true?
   a. Zoning is never retroactive.
   b. Aesthetic values are not an interest in the establishment of zoning.
   c. Zoning always takes precedence over deed restrictions.
   d. Zoning law always keeps commercial and residential properties separate.

9. Before a new home can be occupied:
   a. all construction loans need to be paid off.
   b. a certificate of occupancy must be issued by the local building department.
   c. a notice of completion needs to be recorded by the owner.
   d. offsite improvements need to be complete.

10. On a zoning map, ‘M’ generally indicates:
    a. multiple use.
    b. multi-unit.
    c. manufacturing.
    d. mobile homes.

11. The Subdivision Map Act grants control to the:
    a. corporation counsel.
    b. Department of Real Estate (DRE).
    c. local government.
    d. state building inspector.

12. An owner with riparian rights has rights relating to the use and ownership of water from which of the following sources:
    a. rivers, streams and watercourses.
    b. oceans and bays.
    c. underground caves with water.
    d. swimming pools and watering systems.

13. Individual ownership of a lot and common ownership of other areas in the development constitutes a:
    a. fully improved subdivision.
    b. planned unit development (PUD).
    c. multi-unit apartment project.
    d. condominium.

14. The Real Estate Commissioner rescinds their approval of a subdivision by:
    a. issuing an injunction.
    b. issuing a writ of prohibition.
    c. revoking the developer’s license.
    d. issuing a desist and refrain order.

15. A roof on which all four sides slope to the eaves is classified as a:
    a. gambrel roof.
    b. gable roof.
    c. mansard roof.
    d. hip roof.
16. Real property does not include:
   a. watercourses.
   b. improvements.
   c. fences.
   d. leasehold estates.

17. Which of the following is regarded as real property?
   a. Growing crops that have been mortgaged.
   b. Crops that have been sold but have not been harvested.
   c. Riparian rights.
   d. Trade fixtures.

18. A primary difference between real and personal property is that real property:
   a. can be held in joint ownership.
   b. is immovable.
   c. is always subject to depreciation.
   d. can be willed.

19. A dispute over ownership rights and interests held in real property may be settled by:
   a. a quiet title action.
   b. a partition action.
   c. a declaratory relief action.
   d. a lis pendens.

20. If a person dies without a will and with no identifiable heirs, the state acquires title to their real property through:
   a. patent.
   b. condemnation.
   c. escheat.
   d. forfeiture.

21. Which of these rights of ownership do individuals not have?
   a. Severance rights.
   b. Eminent domain rights.
   c. Riparian rights.
   d. Reliction rights.

22. Basic regulation of the housing and construction industries is performed by:
   a. the State Housing Act.
   b. local building codes.
   c. the state Contractor’s License Law.
   d. All the above.

23. The general purpose of local building codes is to assure:
   a. the most efficient utilization of skilled labor.
   b. compliance with regulatory agencies.
   c. compliance with minimum construction requirements.
   d. cost effectiveness in building through uniformity of building standards.

24. Private restrictions on the use of land are best created by:
   a. verbal agreement.
   b. ratification.
   c. constructing a physical barrier around the property.
   d. recording the restrictions with the county recorder, with reference made in the deed to each parcel.

25. “Potable” means:
   a. drinkable water.
   b. sewer systems.
   c. backfill.
   d. plumbing metal.
26. Placing two or more contiguous units under common ownership for the purpose of increasing the value is known as:
   a. dual ownership.
   b. severalty ownership.
   c. plottage.
   d. reversion.

27. Which of the following is shown on a plot map?
   a. Thickness of exterior walls.
   b. Topography of the surrounding area.
   c. Location of the improvement on the lot and its relationship to surrounding features.
   d. Foundation features and construction materials.

28. Personal property may not:
   a. become real property.
   b. be hypothecated.
   c. be alienated.
   d. None of the above.

29. The physical components of a subdivision are controlled by the:
   a. Department of Real Estate (DRE).
   b. city or county planning commission.
   c. Department of Architecture.
   d. Division of State Lands.

30. Mary held a life estate for her lifetime in a single family residence. She leased the residence to Martha for a five-year period, but died a few weeks after the lease began. The lease was:
   a. invalid on its face, because the holder of a life estate does not have the right to lease the property.
   b. continued in effect for the full five-year term.
   c. valid only during the life of the lessor (Mary).
   d. valid only if Martha was unaware of the life estate when the lease was created.

31. What notice is filed first in regards to a mechanic’s lien?
   a. Notice of Nonresponsibility.
   b. Notice of Cessation.
   c. Notice of Completion.
   d. Notice to Perform or Quit.

32. A subcontractor uses a __________ to notify a general contractor or the owner of their right to record and foreclose a mechanic’s lien against property when they are not paid.
   a. Notice of Default
   b. Right of First Refusal
   c. 20-day preliminary notice
   d. 30-day Notice to Vacate

33. Which of the following is not a specific lien?
   a. A property tax lien.
   b. A blanket mortgage.
   c. A judgment for punitive money damages.
   d. A mechanic’s lien.

34. Which of the following is a lien?
   a. A recorded notice.
   b. A homestead.
   c. An easement.
   d. An attachment.

35. If a lien covers all properties of the debtor in that county where it is recorded, it is known as a:
   a. lis pendens.
   b. specific lien.
   c. general lien.
   d. mechanic’s lien.
36. To establish title by adverse possession, an occupant must show all these except:
   a. they have occupied the property in a way which constitutes no notice to the record owner.
   b. the payment of taxes for five years.
   c. open and notorious use.
   d. hostile use.

37. Appurtenances go with the land. Which of the following is not an appurtenance?
   b. A swimming pool.
   c. Fences.
   d. A trade fixture.

38. Ownership rights and interests in real estate are called:
   a. land sales contracts.
   b. estates or fees.
   c. liens.
   d. tenancies.

39. Which of the following is an example of a freehold estate?
   a. Beneficiary interest.
   b. An estate at sufferance.
   c. A life estate.
   d. An estate at will.

40. All of the following are less-than-freehold estates, except:
   a. An estate for years.
   b. Leasehold interest.
   c. A life estate.
   d. An estate at sufferance.

41. Which of the following best describes an estate of indefinite duration?
   a. Estate for years.
   b. Life estate.
   c. Periodic tenancy.
   d. Estate of inheritance.

42. In what way is a tenant in an apartment like an owner of a condominium?
   a. Both hold a fee interest.
   b. The owner of the condominium and the tenant of the apartment each have an estate in real property.
   c. The local tax assessor needs to assess each property separately.
   d. Both have ownership of an individual unit.

43. The word “tenancy” in real property law most nearly means:
   a. life tenant.
   b. the method or mode of holding interest to real property by the lessee or owner.
   c. the landlord-tenant relationship.
   d. the right to freely sell a property to another in the open market.

44. Appurtenant rights include the right of ingress and __________ across adjoining properties.
   a. trespass
   b. traversal
   c. egress
   d. pro rata

45. Easements which restrict an owner’s ability to maintain or construct improvements interfering with a neighbor’s solar energy system are known as __________ easements.
   a. airborne
   b. solar
   c. galactic
   d. greenway
46. The Real Estate Commissioner, under the Subdivided Lands Law, is initially concerned with which court:
   a. Small Claims.  
   b. Superior.  
   c. Federal Supreme.  
   d. State Appeals.

47. An encroachment is:
   a. a fence built on an owner’s property for security and privacy purposes.  
   b. an improvement on real estate, such as a building, fence, driveway or tree, which extends onto a neighbor’s real estate.  
   c. a doctrine used by property owners to establish boundary lines.  
   d. an exclusive right-to-use easement.

48. Upon moving into the home they had just purchased, the owner discovered their neighbor’s garage encroached four feet over his property line. If a friendly settlement cannot be negotiated, the owner may sue the:
   a. escrow company.  
   b. title company.  
   c. agent, for failure to disclose the encroachment.  
   d. neighbor, since the encroachment is a trespass.

49. Lead-based paint was banned by the Federal Consumer Product Safety Commission in:
   a. 1940.  
   c. 1978.  
   d. 1996.

50. Environmental hazards located on a property which pose a direct health threat to occupants include toxic mold and:
   a. building materials containing asbestos.  
   b. recent seismic activity.  
   c. carbon dioxide gas.  
   d. very high fire hazard severity zones.

**ANSWER KEY**

1. **d** — Land is inclusive of all listed answer choices.
2. **a** — There are 640 acres in a section. Divide this by four to find the area of a quarter section, 160 acres.
3. **a** — An acre of land contains **43,560 square feet**. Thus, three acres of land equals 130,680 square feet. The conversion of acreage to square feet is the most common type of math question on the state exam.
4. **b** — An individual may not obtain title by escheat. Only the state government may acquire title through escheat.
5. **c** — The three **baseline and meridian systems** in California are Humboldt, Mt. Diablo and San Bernardino.
6. **d** — A **riverbank** may shift over time.
7. **d** — The parcel of land is described in square **yards**. First determine how many square feet this equals by multiplying the square yard by 9. 73,000 x 9 = 657,000 square feet. Then, divide by 43,560 (the square feet in one acre). 657,000 / 43,560 = 15.1 acres.
8. a — Zoning cannot apply to existing structures, only structures to be built.
9. b — A certificate of occupancy issued by the building department is proof of habitability.
10. c — M = manufacturing, C = commercial, R = residential.
11. c — The Subdivisions Map Act is controlled by local authorities. Subdivided Lands Law is controlled by the DRE.
12. a — Riparian rights apply to all surface waters.
13. b — A planned unit development (PUD) has common areas in addition to individual ownership of a house.
14. d — To stop a development, the Real Estate Commissioner files a desist and refrain order against the developer.
15. d — A roof with four sides is called hip. A two-sided roof is gable.
16. d — A leasehold estate is less-than-freehold, and therefore not real property.
17. c — Riparian rights go with the land and are appurtenant to it.
18. b — Land is immovable, personal property is not.
19. a — Quiet title is a court action to clear clouds on a property’s title.
20. c — Escheat is a state action to revert property to government ownership when an owner dies with no will or heirs.
21. b — Eminent domain is the government power to seize property written into the U.S. constitution. Reliction refers to an increase in land bordering a body of water due to receding water.
22. d — All the above. Each entity plays a role in construction and housing standards.
23. c — Local building codes are not concerned with labor, regulation or cost effectiveness.
24. d — Of the answer choices provided, the best way to create a private restriction on the use of land is by recording the restrictions with the county recorder. However, a private restriction may also be created through a developer’s restrictions for a subdivision or through a written agreement.
25. a — Potable water is suitable for drinking.
26. c — The act of combining parcels of real estate is referred to as assemblage. The increase of value is referred to as plottage.
27. c — Beware of the incorrect answer B. Topography, referencing the lay of the land. Topography is not included on a plot map.
28. d — Beware of question construction phrased in the negative, “may not.” Here, you need to identify the answer selection that does not correctly complete the question. As personal property may undergo any of the activities referenced in all of the answer selections, None of the above is correct.
29. b — The Subdivision Map Act controls the physical elements of a subdivision which is overseen by local governments.
30. c — When a life estate ends, the ownership of the real estate transfers and therefore existing contracts also end.
31. a — An owner may prevent the attachment of a mechanic’s lien by recording and posting a Notice of Nonresponsibility within ten days after they become aware of tenant-contracted improvements.
32. c — Before a subcontractor employed by a contractor may record a mechanic’s lien against real estate and enforce it by foreclosure, they perfect their lien rights by serving a 20-day preliminary notice.

33. c — A judgment for punitive money damages is filed against an individual rather than a specific property.

34. d — A lien always has a dollar value. Therefore, the only correct answer is the attachment.

35. c — As the lien attaches to multiple properties owned by the debtor, versus a specific property, it is referred to as a general lien.

36. a — This question is phrased in the negative. All other answer choices are conditions that need to be met to establish title by adverse possession. Tip: the answer choices in this question may provide the answer for later exam questions on this topic.

37. d — This is another question phrased in the negative. Trade fixtures are personal property and do not go with the land.

38. b — Ownership might be a fee title or a life estate. Both are examples of a freehold estate.

39. c — A life estate is an example of a freehold estate.

40. c — Freehold is ownership. Less-than-freehold is a leasehold.

41. d — An estate of inheritance is a fee title. Therefore, it lasts in perpetuity — an indefinite time.

42. b — The question asks for what the owner and a tenant have in common. Both interests held by an owner and tenant are described as an estate.

43. b — As with the term “estate,” both the owner’s position as well as the lessee’s may be described as a “tenancy.”

44. c — Access rights include both egress and ingress (entering and exiting), such as with a driveway easement.

45. b — Solar panels are generally located on the roof of a structure. A solar easement prohibits the blocking of those panels from exposure to the sun.

46. b — The Subdivided Lands Law is controlled by the California Bureau of Real Estate. Since this is a state entity, the process of elimination excludes the Small Claims, Federal Supreme and Appellate courts, leaving the Superior Court as initially handling real estate disputes.

47. b — Encroachment is an example of trespass.

48. d — The neighbor is the one who is trespassing and is the party the owner may sue.

49. c — Under federal law, a lead-based paint disclosure is required on all single family residential property built prior to 1978.

50. a — Building materials containing asbestos pose a direct health threat to occupants. Seismic activity and very high fire hazard severity zones are natural hazards occurring off of a property and are not man-made environmental hazards. Carbon dioxide gas is formed during respiration and is vital to sustaining life on earth. It is also not an environmental hazard.