Chapter 3 Multiple Choice Questions

1. Restrictions and limitations on real estate imposed by both private and public entities are collectively known as
   a. easements.
   b. encroachments.
   c. eminent domain.
   d. encumbrances.

2. A claim on property as security for a debt or other obligation is known as a(n)
   a. encroachment.
   b. lien.
   c. easement.
   d. profit.

3. A ________ refers to a lien on all of the assets of a debtor, while a ________ refers to a lien on carefully identified assets of the debtor.
   a. mechanics lien, special lien
   b. general lien, mechanics lien
   c. special lien, mechanics lien
   d. general lien, special lien

4. The lender in a mortgage arrangement is referred to as the ________, while the borrower is known as the ________.
   a. mortgagor, mortgagee
   b. mortgagee, mortgagor
   c. mechanic, lienee
   d. lienee, mechanic

5. An ________ is a legal right use the property owned by someone else in a specified manner.
   a. easement
   b. eminent domain
   c. encroachment
   d. estoppel

6. In an easement appurtenant, the property that benefits from the easement is known as
   a. servient estate.
   b. dominant estate.
   c. gross estate.
   d. encroachment.
7. Utility companies that have rights to place electric lines, phone lines, cable tv, gas lines, etc. hold
   a. easements in gross.
   b. easements appurtenant.
   c. gross estates.
   d. servient estates.

8. Which of the following are legitimate methods for creating easements?
   a. Express grant
   b. Implied grant
   c. Express reservation
   d. All of the above

9. When someone other than the owner uses a property openly, with hostility, and continuously for a statutory time period, an easement may be created by a method known as
   a. reservation.
   b. implication.
   c. grant.
   d. prescription.

10. Suppose Jane buys a property subject to an easement that gives the next-door neighbor the legal right to drive across a portion of her property. Which of the following statements are consistent with the nature of easements?
    a. If Jane wishes to terminate the easement, she could sell the property to someone else.
    b. If Jane wishes to terminate the easement, she could send a certified letter to the neighborhood stating her desires and effectively end the neighbor’s rights.
    c. Jane could purchase the neighboring property as a means of eliminating the easement.
    d. There is absolutely no way to terminate this type of easement without incurring legal liability.

11. In a(n) ________, the holder has the right to remove natural resources from another person’s property.
    a. easement
    b. profit
    c. license
    d. encroachment
12. If an owner of a mortgaged property adds improvements to that property that result in a mechanic’s lien being established, which of the following is true?
   a. The mechanic’s lien as the superior claim is always junior in priority.
   b. All states recognize the mechanic’s lien as the superior claim.
   c. Some jurisdictions give the mortgagee priority.
   d. Many states do not recognize mechanics’ liens.

13. When a person wins a monetary award from a lawsuit, the loser’s property can be used as a security towards paying a debt. The security interest is known as a
   a. settlement lien.
   b. tax mortgage.
   c. judgment lien.
   d. mechanic’s lien.

14. An unauthorized invasion or intrusion of an improvement is known as an
   a. escheat.
   b. encroachment.
   c. estoppel.
   d. easement appurtenant.

15. A lien is best described as a claim that
   a. permits a creditor to take possession of the debtor’s real estate.
   b. amounts to a financial security interest in the real estate.
   c. represents the creditor’s right of ownership in the real estate.
   d. allows a third party to use one’s real estate in a prescribed manner.

16. An easement is a right given to a person by a landowner to
   a. use the land in a specific manner.
   b. possess the land in a specific manner.
   c. sell the land.
   d. lease the land for a specific purpose.

17. Which is not an appropriate method for establishing an easement?
   a. Appointment
   b. Implication
   c. Reservation
   d. Prescription
18. Jones has an easement for an access road across Smith’s property. _______ has the servient estate; _______ has the dominant estate.
   a. Smith, Jones
   b. Jones, Smith
   c. Smith, Smith
   d. Jones, Jones

19. An easement is terminated by _______ when the dominant and servient estate are joined by common ownership.
   a. agreement
   b. abandonment
   c. merger
   d. prescription

20. To claim a property under adverse possession, which is not a requirement under the law?
   a. The claim must be continuous
   b. One possessor must hold the claim for the entire statutory period
   c. The possession must be actual and exclusive, that is, in the manner of a reasonable owner
   d. The claim must be open and notorious

21. Private restrictions that limit ownership interests in real property include all of the following except
   a. zoning.
   b. easements.
   c. adverse possession.
   d. licenses.

22. Although ownership and possession of real estate are not synonymous, through _______ one might gain ownership by possession.
   a. zoning
   b. easements
   c. adverse possession
   d. liens

23. The mortgage document used as an encumbrance on an owner’s title is an example of a
   a. special lien.
   b. broad lien.
   c. general lien.
   d. judgment lien.
24. The people protected by mechanic’s liens include all except
   a. suppliers of materials.
   b. architects and engineers on construction projects.
   c. lenders.
   d. anyone who furnishes labor for construction, repair or alteration of a building.

25. The creation, filing, priority and termination of mechanic’s liens
   a. are the same for all of the forty-eight contiguous states.
   b. vary from state to state.
   c. are federal laws.
   d. are controlled by each individual city within a state.

26. The burdened land in an easement appurtenant is the
   a. dominant estate.
   b. servient estate.
   c. absolute estate.
   d. artificial estate.

27. Suppose that Ralph and Ed are neighbors. Each wants to have a paved driveway. To save money, Ralph and Ed decide to share one driveway which will be built partially on each lot. Which of the following statements is incorrect?
   a. Ralph’s lot is a servient estate.
   b. Ed’s lot is a servient estate.
   c. Ralph’s lot is a dominant estate.
   d. Ed’s lot is an easement in gross.

28. Which of the following statements about easements is incorrect?
   a. Easements are temporary in nature and do not pass to subsequent owners.
   b. An easement may be terminated by a mutual agreement.
   c. Rights of an easement may be terminated by abandonment.
   d. Existence of an easement may be terminated by a merger.

29. The owner of the property being encroached upon has the right to force the removal of the encroachment, but if that owner fails to force removal, the other party may claim the legal right to continue encroaching by
   a. adverse possession.
   b. eminent domain.
   c. condemnation.
   d. license.
30. Schoolchildren have regularly used the Smith’s yard as a short-cut for countless years without permission. The Smiths put up a fence to stop the traffic. A judge says the fence must come down, an easement has been created. An _______ has been created, and the Smiths have the _______ estate.
   a. easement appurtenant, dominant
   b. easement appurtenant, servient
   c. easement in gross, dominant
   d. easement in gross, servient

31. Congress has regularly used the President’s yard as a short-cut for countless years without permission. The President put up a fence to stop the traffic. A judge says the fence must come down, an easement has been created. What method has been used to create the easement?
   a. Prescription
   b. Appointment
   c. Implication
   d. Reservation

32. A revocable right to temporarily use real estate for a specific purpose is a(n)
   a. license.
   b. encroachment.
   c. profit.
   d. easement.

33. Adverse possession typically occurs
   a. in divorce settlements.
   b. in boundary disputes.
   c. in disputes over water or mineral rights.
   d. as a result of a violation of a restrictive covenant.

34. If a person dies intestate and has no heirs, the state receives title to his or her property through the power of
   a. easement.
   b. escheat.
   c. estoppel.
   d. hypothecation.

35. The lender in a mortgage arrangement is known as the
   a. grantee.
   b. grantor.
   c. mortgagor.
   d. mortgagee.
36. Unlike an easement, a profit a prendre allows the holder to
   a. remove specified resources from the property.
   b. possess the land in a specified manner.
   c. use the land in a specified manner.
   d. sell the property.

37. Promises made by a landowner or predecessor in title about how the land will or
    will not be used are known as
   a. zoning laws.
   b. restrictive covenants.
   c. deed restrictions.
   d. b and c only.