

REAL ESTATE PRACTICE STUDENT STUDY GUIDE

CHAPTER NINE

		ANSWER: contractually difference	Pg 95-96
A. informed decision	Pg 93	Paragraph 3. buyer's tenant before	
subjective feelings,		ANSWER: occupancy agreement	
Buyer's agent		Paragraph 4. negotiable	
dual agent		customarily	
prior		Paragraph 5. timing	
termite reports		not	
reports		prior	
repair estimates		cancel	
TDS		cause	
mandatory disclosures		- The Real Estate Transfer	
market conditions		Disclosure Statement	Pg 96-97
multiple offers	Pg 94	- third party vender geologist	
price		Natural Hazard Disclosure	
terms		Statement	
sample contract		- industrial	
relationship		- military	
comfortable		- Mello-Roos	
decision-makers		Paragraph 6. Specific disclosures	
review		common interest development CID	
ANSWER: winning		Paragraph 7. present physical	
protects		condition	
buyers		no seller warranties	
fiduciary		Buyers	
single		notice	
dual		inspections	
legally		Paragraph 8. personal and real	
best		property.	
buyer		without	
B. various contracts	Pg 94-95	Paragraph 9. array	
competent		14.	
explain		Paragraph 10. seller's obligations	
C. buyer's market	Pg 95	Paragraph 11. responsibilities	
seller's market		buyer	
1. residential purchase agreement		inspectors	
2. receipt for deposit		Paragraph 12. Preliminary Title	
3. joint escrow instructions		Report	Pg 97
licensees		carefully read	
not		title	
legal and tax advice,		legal	
attorney or CPA		tax	
practicing law!		refer	
Paragraph 1. all		attorney and/or accountant.	
Paragraph 2. add up			
purchase			

REAL ESTATE PRACTICE STUDENT STUDY GUIDE

Paragraph 14. Days vary sufficient time must	Pg 97-98	notification confirms	Pg 99
ANSWER: selling extension in writing seller option active or passive removal of contingencies cancellation on deposits		Paragraph 31 time	Pg 100
Paragraph 15. walk-through	Pg 98	Paragraph 32. seller	
Paragraph 16. amount non-breaching not legal		Paragraph 33. acknowledge signed acceptance compensation clarify commission escrow holder seller	
Paragraph 17. legal not pros and/or cons arbitration		D. Buyer's Inspection Advisory addendum	Pg 100-101
Paragraph 18. special assessments reassessment supplemental tax bill		carefully review prior writing the offer. obligations buyer	
Paragraph 20. authority		F. special additional	
Paragraph 21. anti-discrimination		G. SHORT dangers hurdles review buyer lender reject selling complete listing resource	
Paragraph 22. Prevailing	Pg 99	H. REAL ESTATE OWNED	Pg 101
Paragraph 23. select		before cautions amendments lender	
Paragraph 24. changes writing buyer seller		Paragraph 2. Responding advise real estate review problems pitfalls without before attorney CPA	
Paragraph 25. attached supplements			
Paragraph 27. Confirms	Pg 99		
agency			
Paragraph 28. open signed			
Paragraph 29. Buyer/Broker Agreement			
Paragraph 30. initials no counter offer accept ratified			

REAL ESTATE PRACTICE STUDENT STUDY GUIDE

team	Pg 101		
advise of		selling agents	Pg 105-106
CHAPTER TEN		key	
A. format	Pg 104-105	sheet	
presentation		presentation packet(s)	
present		blank	
buyer agent		summary	
selling agent		preapproval	
different		buyer's	
circumstances		seller	
players		deposit	
seller's market		offer and Buyer's Advisory	
prepared		disclosures	
homework		read, dated and signed	
motivations,		original	
condition		not	
current		live	
multiple		conventional	
all		short sales	
information		real estate owned property	
after		presentation	
obligated		listing	
buyer		offer	
before		selling	
rewrite		sell	
new		offer	
time		listing agent	
time		B. seller	Pg 106
offer		advised	
listing		listing agent	
opportunity		little	
competition		neutral	
buyer		listing agent	
before		questions	
1. written		break the ice;	
planning		rapport	
2. names		highly competent	Pg 106-107
3. own		well-qualified buyers	
offer		dual agency capacity	
before		Q. seller's	
2. rent-back		A: buyer	
3. excluded		dual	
4. disclosure packet		confirmation	
5. pertinent	Pg 105	filled out	
Disclosures		- bring the buyer to life;	
		financially qualified	

REAL ESTATE PRACTICE STUDENT STUDY GUIDE

<p>commission</p> <p>3. addendum Pg 115</p> <p style="padding-left: 20px;">same</p> <p style="padding-left: 20px;">different</p> <p style="padding-left: 20px;">back-up</p> <p>Q: commission</p> <p style="padding-left: 20px;">rejects</p> <p>A: right</p> <p style="padding-left: 20px;">listing</p> <p style="padding-left: 20px;">selling</p> <p style="padding-left: 20px;">demand</p> <p style="padding-left: 20px;">terms</p> <p>4. COUNTER OFFER Pg 115-116</p> <p>MULTIPLE COUNTER OFFERS; ADDENDUM CONGINGENCY</p> <p>B. Counter Offer</p> <p style="padding-left: 20px;">ramifications</p> <p style="padding-left: 20px;">agents</p> <p style="padding-left: 20px;">b. – sequentially Pg 117</p> <p style="padding-left: 20px;">c. - require</p> <p style="padding-left: 20px;">e. - risk</p> <p style="padding-left: 20px;">f. - checked</p> <p style="padding-left: 20px;">g. - not</p> <p style="padding-left: 20px;">compromise</p> <p style="padding-left: 20px;">reasonableness</p> <p style="padding-left: 20px;">change</p> <p style="padding-left: 20px;">void</p> <p style="padding-left: 20px;">both</p> <p style="padding-left: 20px;">writing.</p> <p style="padding-left: 20px;">minds</p> <p style="padding-left: 20px;">binding.</p> <p>C. agrees Pg 117-118</p> <p style="padding-left: 20px;">offer,</p> <p style="padding-left: 20px;">addendum,</p> <p style="padding-left: 20px;">counter offer,</p> <p style="padding-left: 20px;">modify</p> <p style="padding-left: 20px;">after</p> <p style="padding-left: 20px;">offer.</p> <p style="padding-left: 20px;">risk</p> <p style="padding-left: 20px;">subject</p> <p style="padding-left: 20px;">binding</p> <p>Q: not</p> <p>A: obligated</p> <p>30</p> <p>addendum</p>	<p>not</p> <p>D. contingency Pg 118</p> <p style="padding-left: 20px;">must</p> <p style="padding-left: 20px;">specified</p> <p style="padding-left: 20px;">Time periods</p> <p style="padding-left: 20px;">removal</p> <p style="padding-left: 20px;">always</p> <p style="padding-left: 20px;">writing</p> <p>Q: non-performance</p> <p>A: revoked</p> <p style="padding-left: 20px;">ratified</p> <p>Buyer: mediation Pg 118-119</p> <p style="padding-left: 20px;">specific performance</p> <p style="padding-left: 20px;">require sale completion</p> <p>Seller: declare sale void</p> <p style="padding-left: 20px;">buyer's</p> <p>A: not</p> <p style="padding-left: 20px;">cancellation</p> <p style="padding-left: 20px;">multiple offer</p> <p style="padding-left: 20px;">properties</p> <p style="padding-left: 20px;">never</p> <p style="padding-left: 20px;">legal</p> <p style="padding-left: 20px;">fiduciary</p> <p style="padding-left: 20px;">fair</p> <p style="padding-left: 20px;">honest</p> <p>CHAPTER TWELVE</p> <p>grantor Pg 121</p> <p>performance</p> <p>escrow</p> <p>escrow officer,</p> <p>neutral</p> <p>stakeholder.”</p> <p>instructions</p> <p>earnest</p> <p style="padding-left: 20px;">neutral</p> <p>title Pg 122</p> <p style="padding-left: 20px;">beneficiary</p> <p style="padding-left: 20px;">insurance policy</p> <p style="padding-left: 20px;">settlement</p> <p style="padding-left: 20px;">recording</p> <p>B. OFFICER</p> <p style="padding-left: 20px;">agents</p> <p style="padding-left: 20px;">financial</p> <p style="padding-left: 20px;">instructions</p> <p style="padding-left: 20px;">confidentiality</p>
---	--

REAL ESTATE PRACTICE STUDENT STUDY GUIDE

<p>CAPACITY Pg 133</p> <p>CAPITAL</p> <p>risk</p> <p>greater</p> <p>lower</p> <p>appraise</p> <p>qualified</p> <p>lender approved</p> <p>challenge</p> <p>D. A: not</p> <p>loan instruments Pg 134</p> <p>qualified</p> <p>“steer”</p> <p>APPLICATION</p> <p>CREDIT REPORT</p> <p>DEPOSIT(S)</p> <p>EMPLOYMENT</p> <p>RATIFIED</p> <p>APPRAISAL</p> <p>TITLE REPORT</p> <p>UNDERWRITER</p> <p>E. Q: RESPA</p> <p>A: Regulation Z (Reg Z) Pg 135</p> <p>CREDITOR</p> <p>FINANCED</p> <p>ITEMIZATION</p> <p>FINANCE CHARGE</p> <p>ANNUAN PERCENTAGE</p> <p>RATE</p> <p>RATE</p> <p>SCHEDULE</p> <p>BALOOON PAYMENT LOANS</p> <p style="padding-left: 20px;">amortized</p> <p>PAYMENTS</p> <p>acceleration clause Pg 136.</p> <p>SALE PRICE</p> <p>PENALTIES</p> <p>CHARGE</p> <p>F. Q: creative financing?</p> <p style="padding-left: 20px;">A: Seller carry-back trust deeds;</p> <p style="padding-left: 40px;">wraparound loans Pg 137</p> <p style="padding-left: 40px;">Land contract</p> <p style="padding-left: 40px;">Options</p> <p style="padding-left: 20px;">A: Seller financing addendum &</p> <p style="padding-left: 40px;">disclosure</p> <p>Usury Laws</p>	<p style="text-align: right;">- foreclosure Pg 137</p> <p style="text-align: right;">- damage</p> <p style="text-align: right;">- tax</p> <p style="text-align: right;">H. Safeguards Pg 138</p> <p style="text-align: right;">HVCC</p> <p>CHAPTER FOURTEEN</p> <p>A. BASIS Pg 140</p> <p style="padding-left: 20px;">GAIN</p> <p style="padding-left: 20px;">CASH REALIZED</p> <p>B. pro-ration Pg 141</p> <p style="padding-left: 20px;">- fiscal Pg 142</p> <p style="padding-left: 20px;">- recordation</p> <p style="padding-left: 40px;">13</p> <p style="padding-left: 20px;">- supplemental</p> <p style="padding-left: 20px;">- installments</p> <p style="padding-left: 20px;">- delinquent</p> <p>C. A: 13</p> <p style="padding-left: 20px;">-60; Pg 143</p> <p style="padding-left: 20px;">-90;</p> <p>D. A: homeowners</p> <p style="padding-left: 20px;">A: interest expense</p> <p style="padding-left: 20px;">property tax</p> <p style="padding-left: 20px;">capital gains</p> <p style="padding-left: 20px;">\$250,000</p> <p style="padding-left: 20px;">\$500,000</p> <p style="padding-left: 20px;">installment</p> <p style="padding-left: 20px;">exchanges</p> <p>E. profit</p> <p style="padding-left: 20px;">“We are licensed in California to sell</p> <p style="padding-left: 20px;">real estate, not to give legal or tax</p> <p style="padding-left: 20px;">advice!”</p> <p style="padding-left: 20px;">legal</p> <p style="padding-left: 20px;">tax</p> <p style="padding-left: 20px;">current</p> <p>CHAPTER FIFTEEN</p> <p>A. Q: needs? Pg 146</p> <p style="padding-left: 20px;">A: Increasing net worth;</p> <p style="padding-left: 40px;">cash flow;</p> <p style="padding-left: 40px;">tax savings;</p> <p style="padding-left: 40px;">pride of ownership; Pg 147</p> <p style="padding-left: 40px;">leverage;</p> <p>B. Q: APOD</p> <p style="padding-left: 20px;">- vacancy/ credit</p> <p style="padding-left: 20px;">- utilities;</p>
--	---

REAL ESTATE PRACTICE STUDENT STUDY GUIDE

- repairs & maintenance; Pg 147
- taxes & insurance
- debt service
- C. A: Capitalization rate Pg 148
 - on
 - of
 - investment
 - Internal rate of return
 - Gross rent multiplier
 - Net operating income (OE);
- D. Depreciation Pg 149
 - A: tax purposes
 - Physical
 - Functional
 - Economic
- E. 1031 Pg 150
 - Q: "like kind"
 - Q: eliminate
 - A: defers
 - Q "Starker" Pg 151
 - Q: reverse
 - A: buy
 - "parked"
 - 180
- F. A: sales and leasing management, home sales,
 - 1. opportunities
 - Bulk sales Pg 152
 - Alcoholic Beverage Control equalization
 - 3. Property Management
- G. – appraisal Pg 153
 - escrow
 - title insurance
 - right-of-way agent
 - development